



COMPREHENSIVE ANNUAL FINANCIAL
REPORT

JOHNSTON COMMUNITY SCHOOL DISTRICT
JOHNSTON, IOWA

YEAR ENDED JUNE 30, 2004
WITH REPORT OF INDEPENDENT AUDITORS

Official Issuing Report

Mark Klett, Executive Director of Business Services

Office Issuing Report

Administrative Services Division

JOHNSTON COMMUNITY SCHOOL DISTRICT
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June 30, 2004

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Johnston Community School District

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Mark Klett, Director of Business Services

November 22, 2004

Members of the Board of Education
Johnston Community School District
Johnston, Iowa

The Comprehensive Annual Financial Report (CAFR) for the Johnston Community School District for the fiscal year ended June 30, 2004 is submitted herewith. This report has been prepared to conform to guidelines recommended by the Association of School Business Officials International.

MANAGEMENT RESPONSIBILITY

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the various funds and account groups of the District in accordance with generally accepted accounting principles, (GAAP). It includes all District funds. The District is not included in any other reporting entity, however, there are twelve discretely presented component units included within this report. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

CAFR

The 2004 Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Internal Controls and Compliance, and Statistical.

1. The Introductory Section. This section includes a transmittal letter, economic outlook of the community, the District's accomplishments, a District Financial Profile, the District's Team Management Network and a list of the Board of Directors and District officials.

2. The Financial Section. The School District's financial statements and schedules are presented in accordance with the financial reporting pyramid set forth by the Governmental Accounting Standards Board. The financial section consists of the independent auditor's report, Management's Discussion and Analysis, audited basic financial statements, required supplemental information, and combining and individual fund statements and schedules. The audited basic financial statements present both an overview and a broad long-term perspective of the School District as a whole in the government-wide financial statements. Van Maanen & Associates, P.C. performs the District's independent audit.

Included in the financial section is the Internal Controls and Compliance report. The School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. This section contains all necessary schedules and auditor's reports required for the District to comply with these regulations.

3. The Statistical Section. The statistical section sets forth selected unaudited financial and demographic information, generally presented on a multi-year basis.

Reporting Entity

This report includes all entities or organizations that are required to be included in the school District's reporting entity. The District is a separate reporting entity. A seven-member elected Board of Directors, who serve three-year terms, govern the Johnston Community School District. The Board of Directors is a policy-making and planning body whose decisions are carried out by school administrators.

The Johnston Community School District is located in the northwest part of Polk County and one of the fast growing suburbs of Des Moines, Iowa. The District is the 17th largest of Iowa's 370 public school systems. The enrollment is approximately 4,613 students. The District operates one high school, one middle school and four elementary schools. The District provides a full range of educational services appropriate to students in early childhood and grades kindergarten through twelve. These services include basic, regular and enriched academic education; special education for children with special needs; vocational education; and numerous individualized programs such as specialized instruction for students at-risk and for limited-English-speaking students.

In addition to the elementary, middle school and high school programs offered in the District, there are additional opportunities for achieving success. Students attend METRO West, an alternative school for students who function better in a less-structured environment. Students may also attend the Central Academy that affords additional opportunities for a greater breadth of classes.

ECONOMIC CONDITION AND OUTLOOK

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook is stable. The District has experienced tremendous growth over the past several years. This growth has had a positive effect on employment and the District's tax base. The District has averaged a nearly 8.8% annual increase in the tax base over the past ten years. In 2004, this trend continued with the tax base increasing by approximately 14.1%.

Based on conservative projections, this trend is expected to continue well into the next decade. While having a positive impact, the growth also presents significant challenges for the District. The District utilizes the optional instructional support levy at a level deemed appropriate and will need to continue a high level of efficient use of human resources and facilities.

Retail sales, building permits, and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. These increases are expected to continue if economic conditions remain stable.

MAJOR INITIATIVES

For the year:

- During the year, the District continued to implement a ten-year plan for facilities and a three-year plan for finances. The District's rapid growth, limited fiscal resources, and the need to clearly outline and prioritize site and facility needs in chronological order necessitate the plans.
- Bids were let and construction started on Summit Middle School to house sixth and seventh grade students. The building opened with approximately 800 students and has the capacity to house 1,000 students.

For the future:

The ten-year facility plan and accompanying demographic information concluded that student enrollment and tax base would continue to increase at a steady rate. This study, along with our annual enrollment projections to estimate space needs, have indicated the need for an additional elementary space to open in the fall of 2007 or 2008. Land has been purchased for this school. Additional facilities will be needed at the High School and building modifications may be necessary at the Middle School to meet the educational needs of the students.

Internal Control

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. As a part of the District's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Controls

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund, Debt Service Fund and Capital Projects Fund are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties the District prepares a more detailed budget for each fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Financial Profile

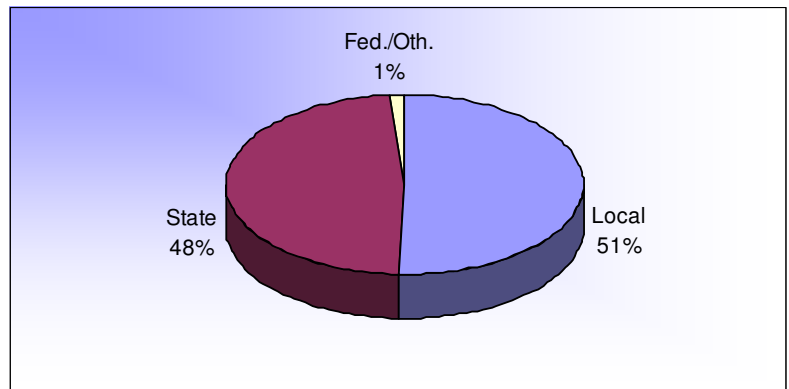
Governmental Funds

Most District functions are financed through the governmental fund types, which include the General, Special Revenue, Debt Service and Capital Projects Funds. Due to the significant size and scope of the General Fund, revenues and expenditure summaries that follow will be separated into General Fund only and then "all other Governmental Funds."

General Fund Revenues by Source				
<u>Local</u>	<u>2003</u>	<u>2004</u>	<u>% of Total</u>	<u>% Change</u>
Taxes	\$ 10,516,660	12,666,832	39.1%	20.4%
Tuition	2,639,991	2,894,604	8.9%	9.6%
Misc.	605,168	785,573	2.4%	29.8%
State sources	15,433,183	15,583,090	48.1%	1.0%
Federal sources	449,584	475,152	1.5%	5.7%
Total Revenues	29,644,586	32,405,251	100.0%	9.3%
Other resources	163,585	11,000		
Totals	\$ 29,808,171	32,416,251	100.0%	8.7%

Total General Fund revenues increased by 9.3% from the prior period. Increases over the prior year were driven by several key factors the major one being the increased enrollment experienced by the District and corresponding increase in budget allowed by the State.

Tuition increased due to the number of students open enrolled into the district and number of special education students served for other districts.



General Fund expenditures by function for 2003 and 2004 are summarized as follows:

General Fund Expenditures by Function					
<u>Function</u>	<u>2003</u>	<u>2004</u>	<u>% of Total</u>	<u>% Change</u>	
Instruction	\$ 18,882,002	21,354,294	68.0%	13.1%	
Student Support Services	1,165,226	1,066,567	3.4%	-8.5%	
Staff Support Services	2,375,145	1,294,770	4.1%	-45.5%	
Administrative Services	2,539,835	2,653,796	8.5%	4.5%	
Operations & Maintenance	2,533,915	2,532,850	8.1%	0.0%	
Transportation	1,194,579	1,301,129	4.1%	8.9%	
AEA Direct Payments	1,179,686	1,176,050	3.7%	-0.3%	
Total Expenditures	29,870,388	31,379,456	100.0%	5.1%	
Other Uses	-	13,993			
Total	\$ 29,870,388	31,393,449	100.0%	5.1%	

Total expenditures increased by 5.1% over the previous fiscal year. The most significant increase over last year was the increase in instructional costs. This increase is due to higher costs for staff salaries and benefits and changes in how expenditures are reported. Staff was also increased to meet enrollment demands.

All Other Governmental Funds

The revenue and expense summaries that follow include all other Governmental Funds. These funds include the Special Revenue Funds, (comprised of the Activity, Management and PPEL Funds) Debt Service and Capital Projects Funds.

The special revenue funds are considered to be non-major under GASB34 guidelines and are combined for reporting purposes in this report.

A summary of revenues received can be seen immediately below.

All Other Governmental Funds (Excluding General Fund)						
<u>Revenues, year ended June 30, 2004</u>						
<u>Revenue Source</u>	<u>Major Funds</u>		<u>Non Major Funds</u>	<u>Total 2004</u>	<u>% of Total</u>	<u>Dollar Change Previous Yr.</u>
	<u>Capital Projects</u>	<u>Debt Service</u>				
Local	\$ 4,074,404	2,016,280	3,424,860	9,515,544	39.1%	\$ 881,751
State	-	649	875	1,524	0.0%	182
Total revenues	4,074,404	2,016,929	3,425,735	9,517,068		881,933
Other financing sources	12,025,000	2,793,031	8,554	14,826,585	60.9%	6,384,288
Total revenues and other sources	\$ 16,099,404	4,809,960	3,434,289	24,343,653	100.0%	\$ 7,266,221

Revenue increases -- The major change in revenues occurred in the non-major funds in the Physical Plant and Equipment Levy that was increased by \$0.67/thousand by voter approval.

All Other Governmental Funds, (Excluding General Fund)						
<u>Expenditures, year ended June 30, 2004</u>						
<u>Expenditure Function</u>	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>Total 2004</u>	<u>% of Total</u>	<u>Dollar Change Previous Yr.</u>
	<u>Capital Projects</u>	<u>Debt Service</u>				
Regular instruction	\$ -	-	342,701	342,701	1.4%	\$ (110,010)
Special instruction	-	-	-	-	0.0%	-
Other instruction	-	-	759,286	759,286	3.1%	(78,780)
Student services	-	-	16,290	16,290	0.1%	4,303
Instructional staff services	-	-	14,772	14,772	0.1%	(3,308)
Administration services	-	-	83,973	83,973	0.3%	64,374
Operations and maintenance	-	-	562,323	562,323	2.3%	547,620
Student transportation	-	-	160,501	160,501	0.6%	12,295
Central support services	-	-	-	-	0.0%	(120,205)
Non-instructional programs	-	-	2,508	2,508	0.0%	2,508
Capital outlay	14,393,376	-	805,324	15,198,700	61.4%	12,999,049
Debt service principal	-	3,620,000	-	3,620,000	14.6%	(5,795,000)
Debt service interest	-	1,187,814	-	1,187,814	4.8%	(78,529)
Total expenditures	14,393,376	4,807,814	2,747,678	21,948,868	88.7%	7,444,317
Other financing uses	2,054,048	-	749,983	2,804,031	11.3%	712,844
Total expenditures and other uses	\$ 16,447,424	4,807,814	3,497,661	24,752,899	100.0%	\$ 8,157,161

Expenditures and other uses of funds for "All Other Governmental Funds" increased by over \$8 million from the previous fiscal year. The two major changes were in capital outlay where construction spending increased by almost \$13 million and debt service where principal payments decreased by \$5.795 million. This is due to no refinancing activity in 2004 as occurred in 2003.

Other uses increased by over \$700,000 due to new debt payments from the Physical Plant and Equipment Levy Fund.

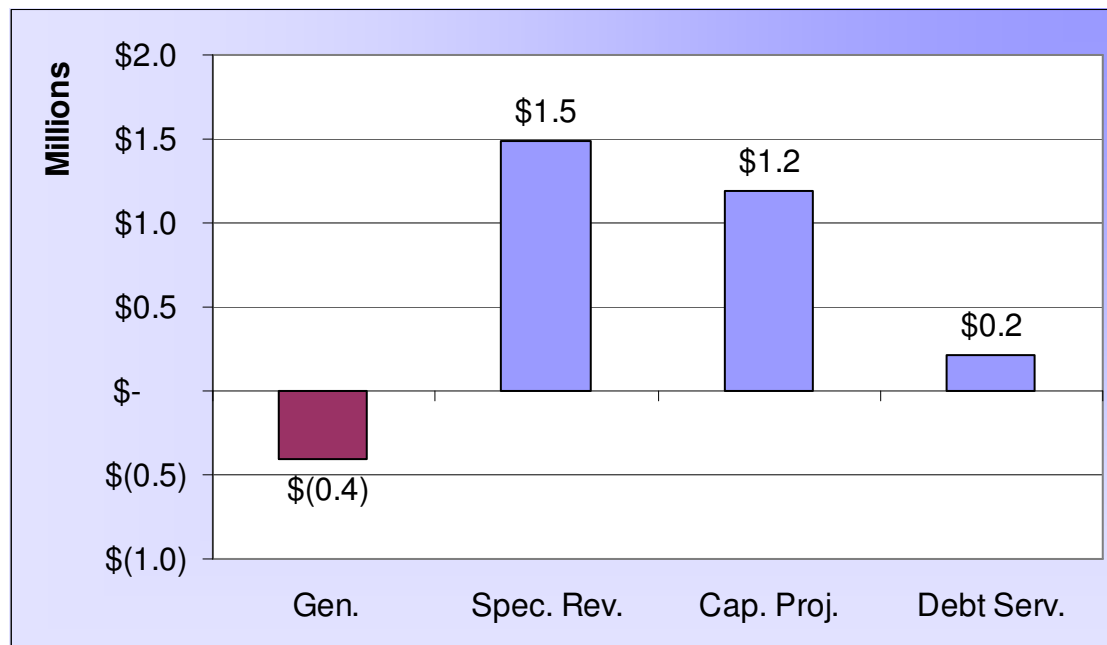
Fund Balances: Governmental Funds

Fund balances reflect the accumulated excess of revenues over expenditures for governmental functions. A comparison of individual fund(s) balances follows:

<u>Fund Balances</u>					
<u>Fund</u>		<u>2003</u>	<u>2004</u>	<u>Change</u>	<u>% Change</u>
General	\$	(1,430,536)	(407,734)	1,022,802	71.5%
Special revenue		1,549,840	1,486,468	(63,372)	-4.1%
Capital projects		1,533,584	1,185,564	(348,020)	-22.7%
Debt service		206,947	209,093	2,146	1.0%
Total	\$	1,859,835	2,473,391	613,556	33.0%

The general fund balance improved by over \$1 million due to the cash reserve levy imposed by the Board of Directors for the express purpose of improving the District's financial condition.

Capital project change in balance reflects spending of funds for the Summit Middle School Project.



Enterprise Operations

The District has three enterprise funds including Nutrition, Daycare and Community Education. Each of these funds is financed and operated in a manner similar to a private business enterprise where the stated intent is that costs (including depreciation) of providing services are financed primarily through user charges.

Nutrition and Daycare funds saw a small increase in fund balance this year, while Community Ed. experienced a small decrease in fund balance. Each year program charges are reviewed and adjusted to cover predicted expenditures. Fund balances cover any shortfalls. A summary of fund activity follows:

Enterprise Funds Year ending June 30, 2004						
	Comm. Ed	Daycare	Nutrition	Total 2004	% of Total	Dollar Change Previous Yr.
Revenues						
Local	\$ 443,790	1,363,032	1,453,805	3,260,627	89.9%	\$ 288,513
State	50,000	-	18,717	68,717	1.9%	50,935
Fed	-	-	297,263	297,263	8.2%	(29,159)
Total revenues	493,790	1,363,032	1,769,785	3,626,607	100.0%	310,289
Operating expenses	467,234	1,230,729	1,543,782	3,241,745		(4,131)
Net income	26,556	132,303	226,003	384,862		314,420
Transfers	13,993	-	-	13,993		13,993
Beginning net assets	204,469	406,586	686,970	1,298,025		70,442
Capital assets, net	8,597	14,395	378,221	401,213		(62,229)
Unrestricted	236,421	524,494	534,752	1,295,667		461,084
Total net assets	\$ 245,018	538,889	912,973	1,696,880		\$ 398,855

DEBT ADMINISTRATION

The ratio of net indebtedness to assessed valuation and the amount of indebtedness per capita are useful indicators of the District's debt position. The 2004 data shows a total indebtedness of \$23.03 million with a ratio of debt to assessed valuation of 1.61%. During 2004, \$3.115 million of outstanding debt was paid and \$6.3 million refinanced. The district will be issuing \$6.3 million in notes to be repaid from the Physical Plant and Equipment Levy. In the near future, as assessed valuation and District population rise and total indebtedness decreases, these economic indicators will reflect a very favorable financial position.

The above indebtedness is a result of general obligation bonds issued in February 1996; and March 1997; refinance issues of November, 2000 and April, 2003. At June 30, 2004, there was \$209,093 available in the Debt Service Fund. Revenue bonds payable totaled \$7,485,000 and capital loan notes totaled \$5,900,000. These issues are repaid through sales tax and Physical Plant and Equipment Levy taxes respectively.

RISK MANAGEMENT

Johnston Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CASH MANAGEMENT

Cash temporarily idle during the year was invested in sweep accounts and the Iowa School Joint Investment Trust. Interest income for 2004 decreased significantly because of several factors. Lesser amounts of cash reserve to invest and the overall down turn of interest rates both locally and nationally.

Independent Audit

The Code of the State of Iowa requires an annual audit of the District to be performed by an accounting firm selected in a competitively bid process. The annual audit meets the requirements of the Code of Iowa, generally accepted auditing standards and the requirements of the 1996 Amendment to the Single Audit Act, and related OMB Circular A-133. The auditor's report on the general-purpose financial statements and combining and individual fund statements is included in the financial section of this report.

The auditor's reports related specifically to the single audit are included in a separate section for internal controls and compliance.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire central administrative support staff and the auditors of Van Maanen and Associates. Finally, we would like to thank the Board of Education for their continued interest and support in conducting the financial operations of the District in a most responsible and progressive manner.

We are pleased to present this report of the results of the District's financial operation for the fiscal year ended June 30, 2004. It is our hope that study and review of this report will provide a better understanding of the District's financial operation for the District patrons.

Respectfully submitted,

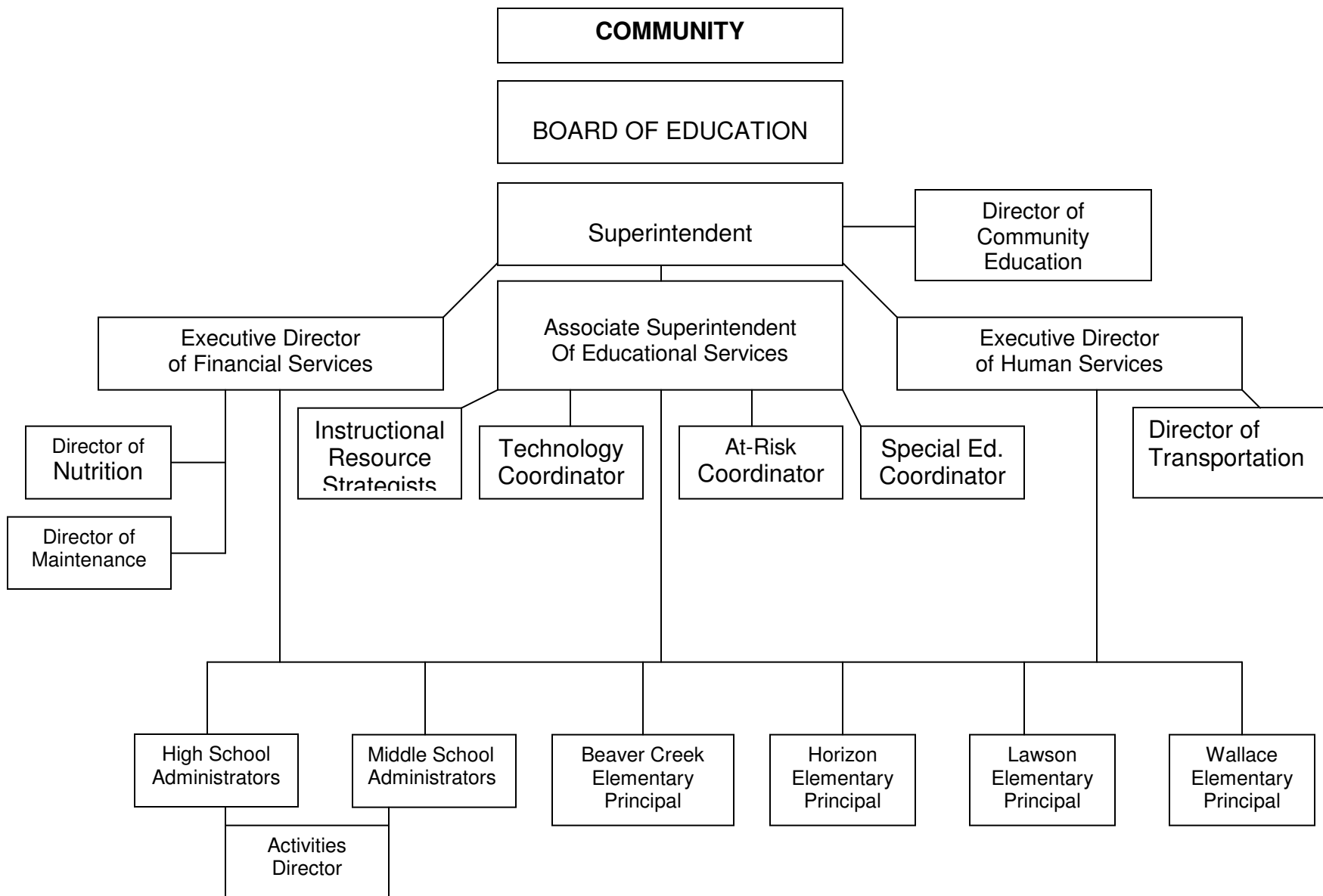


Mark Klett
Executive Director of Business Services



K. Richard Sundblad, Ph.D.
Superintendent of Schools

Enclosure



JOHNSTON COMMUNITY SCHOOL DISTRICT

List of Principle Officials
Year Ended June 30, 2004

Board of Education
(Before September, 2003 Election)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Dean Gillaspey	President	2004
Robert Cramer	Vice President	2005
Christopher Sonner	Board Member	2003
Ralph Young	Board Member	2003
Robert Stewart	Board Member	2004
Stacey Tucker	Board Member	2004
Jill Morrill	Board Member	2005

Board of Education
(After September, 2003 Election)

Dean Gillaspey	President	2004
Robert Cramer	Vice President	2005
Christopher Sonner	Board Member	2006
Ralph Young	Board Member	2006
Robert Stewart	Board Member	2004
Stacey Tucker	Board Member	2004
Jill Morrill	Board Member	2005

Board Attorney

Ahlers Law Firm	Attorney	Indefinite
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JOHNSTON COMMUNITY SCHOOL DISTRICT

SCHOOL DISTRICT ADMINISTRATION
Year Ended June 30, 2004

<u>Name</u>	<u>Position</u>
Dr. K. Richard Sundblad	Superintendent of Schools
Dr. Roger L. Scott	Associate Superintendent for Academic Affairs
Dr. James A. Casey	Executive Director of Human Resource Services
Mark Klett	Executive Director of Business Services
Nancy J. Buryanek	Director of Community Education
Roger L. Fusselman	Director of Buildings and Grounds
Tim Kline	Assistant Director of Maintenance
LaRae Doll	Director of Food Services
David L. Kramer	Director of Transportation
Gene Denny	Director of Technology
Bruce Hukee	High School Principal
Steve Schlatter	High School Associate Principal
Mark Crady	High School Assistant Principal
Gary Busby	Middle School Principal
Kevin Blackburn	Middle School Associate Principal
Gary L. Ross	Director of Athletics and Activities
Bruce Amendt	Wallace Elementary Principal
Terry Jacob	Horizon Elementary Principal
Eric Toot	Beaver Creek Principal
Cheryl Henkenius	Lawson Elementary Principal
Vickie McCool	Y-Home Associate Principal & Special Education Coordinator

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Independent Auditor's Report

To the Board of Education
Johnston Community School District
Johnston, Iowa

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Johnston Community School District, Johnston, Iowa, and its aggregate discretely presented component units as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Johnston Community School District and its aggregate discretely presented component units as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 13 to the financial statements, during the year ended June 30, 2004, Johnston Community School District adopted Governmental Accounting Standards Board Statement No. 39, Determining Whether Certain Organizations Are Component Units and Statement No. 41, Budgetary Comparison Schedule - Perspective Differences.

In accordance with Governmental Auditing Standards, we have also issued our reports dated September 30, 2004, on our consideration of the Johnston Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 15 through 23 and 60 through 68 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Johnston Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2003 (none of which are presented herein) and expressed unqualified opinions on those financial statements. Other supplemental information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by the U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Van Maanen & Associates, P.C.
Certified Public Accountants

September 30, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Johnston Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2004. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Financial Highlights

- The district showed an increase in net assets of \$5,455,687 and \$3,621,152 during the years ended June 30, 2004 and 2003, respectively.
- Total revenues for the years ended June 30, 2004 and 2003 of \$45,557,480 and \$41,810,734 were comprised of General Revenues in the amount of \$35,167,747 and \$31,621,935 and Program Revenues totaling \$10,389,733 and \$10,188,799, respectively.
- As of June 30, 2004, the District's governmental funds reported combined ending fund balances of \$29,695,406, an increase of \$5,056,832 in comparison with 2003. This compares with June 30, 2003 balance of \$24,638,574, an increase of \$3,550,710 in comparison with 2002.
- As of June 30, 2004, unreserved undesignated fund balance for the General Fund was a negative (\$904,057) or -2.9% of total General Fund expenditures. This is an improvement over June 30, 2003 of (\$1,867,297) or -6.3% of expenditures.

Overview of the Financial Statements

This report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The statements for governmental funds explain how basic services, such as regular and special education, were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another .

Figure A-1
Johnston Community School District Annual Financial Report

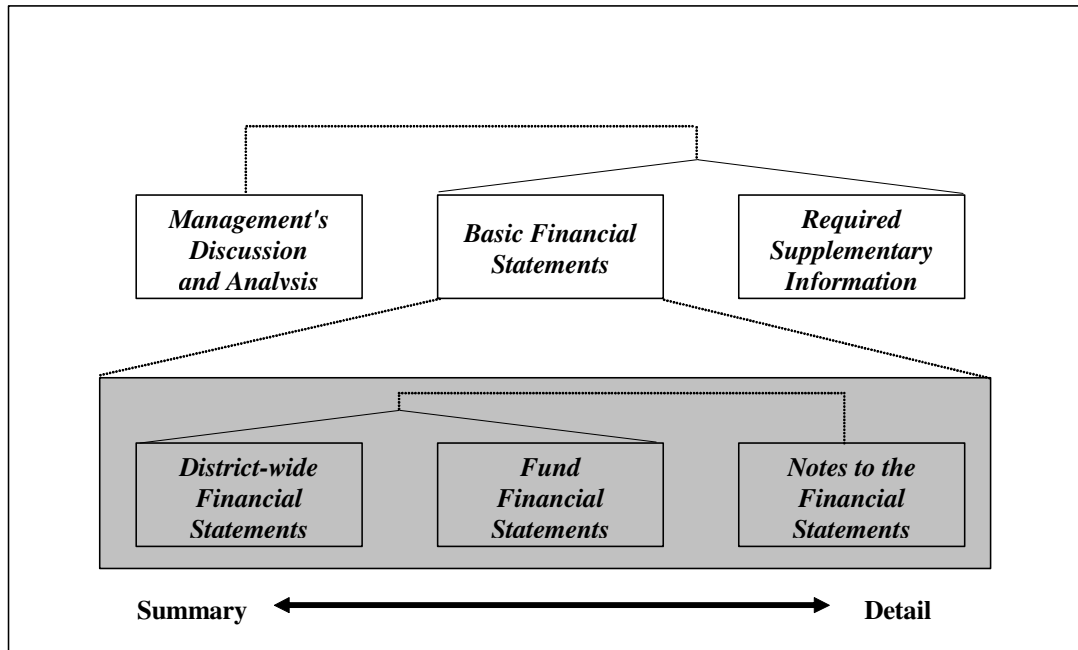


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2
Major Features of the Government-Wide and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of revenues, expenses and changes in net assets • Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two Government-wide statements report the District's net assets and how they have changed. Net assets - the difference between the District's assets and liabilities - are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the Government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has two kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental fund statements explains the relationship or differences between the two statements.
 - The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.

- *Proprietary funds* are reported in the same way as the Government-wide statements.
- The District's enterprise funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The District currently has three enterprise funds: School Nutrition, Daycare and Community Education.

Financial Analysis of the District as a Whole

Net assets - Figure A-3 below provides a summary of the District's net assets for the year ended June 30, 2004.

**Figure A-3
Condensed Statement of Net Assets
Year ending June 30, 2004**

	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2004	2003	2004	2003	2004	2003	2203-2004
Current and other assets	\$ 27,468,332	25,620,860	1,474,240	941,687	28,942,572	26,562,547	9.0%
Capital assets	59,355,371	46,167,020	401,213	463,442	59,756,584	46,630,462	28.1%
Total assets	86,823,703	71,787,880	1,875,453	1,405,129	88,699,156	73,193,009	21.2%
Long-term debt outstanding	22,708,082	20,287,817	-	-	22,708,082	20,287,817	11.9%
Other liabilities	34,420,215	26,861,489	178,573	107,104	34,598,788	26,968,593	28.3%
Total liabilities	57,128,297	47,149,306	178,573	107,104	57,306,870	47,256,410	21.3%
Net assets							
Invested in capital assets, net of related debt	29,105,935	24,670,604	401,213	463,442	29,507,148	25,134,046	17.4%
Restricted	2,136,870	2,261,334	-	-	2,136,870	2,261,334	-5.5%
Unrestricted	(1,547,399)	(2,293,364)	1,295,667	834,583	(251,732)	(1,458,781)	-82.7%
Total net assets	\$ 29,695,406	24,638,574	1,696,880	1,298,025	31,392,286	25,936,599	21.0%

As noted earlier, net assets may serve over time as useful indicator of a government's financial position. The District's total net assets have increased from a year ago from \$25,936,599 to \$31,392,286.

The significant portions of the District's combined net assets reflects its investment in capital assets and are not available for future spending. The District's net assets invested in capital assets, net of related debt, was \$29,507,148 for 2004 and \$25,134,046 for 2003.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Long-term debt liabilities will be repaid through future property and sales taxes collections. Bond debt retirement for the year was \$1,150,000.

The negative balance in unrestricted net assets is due to negative balances in the general and management funds. Efforts are being made to erase these deficits through additional property tax levies in coming years and the district expects to have positive balances in all three categories of net assets.

Property tax and unrestricted state grants account for 81 percent of the total revenue. The District's expenses primarily relate to instruction and support services that account for 97 percent of the total expenses.

Governmental Activities

Revenues for governmental activities were \$41,930,873 and expenses were \$36,860,048. Net assets increased by \$5,056,832.

Figure A-4 highlights the District's revenues and expenses for the fiscal year ended June 30, 2004 and 2003. These two main components are subtracted to yield the change in net assets. This exhibit utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes and unrestricted grants such as state foundation support.

Expenses are shown in programs including instruction, support services, non-instructional programs and other expenses.

Figure A-4
Program Revenues and Expenses

	Governmental Activities		Business-type Activities		Total District	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program Revenues:						
Charges for services	\$ 4,068,329	\$ 3,918,932	\$ 3,251,272	\$ 2,961,813	\$ 7,319,601	\$ 6,880,745
Operating grants and contributions	2,694,797	2,953,549	375,335	354,505	3,070,132	3,308,054
General Revenues:						
Property Taxes	21,314,918	18,180,329	-	-	21,314,918	18,180,329
State Grants	13,358,918	13,105,626	-	-	13,358,918	13,105,626
Investment earnings	126,896	51,709	-	-	126,896	51,709
Other	367,015	284,271	-	-	367,015	284,271
Total Revenues	41,930,873	38,494,416	3,626,607	3,316,318	45,557,480	41,810,734
Program Expenses						
Instruction	23,852,166	21,456,624	-	-	23,852,166	21,456,624
Support Services -- students & staff	2,424,261	3,597,988	-	-	2,424,261	3,597,988
Support Services -- administration	2,869,991	2,602,825	-	-	2,869,991	2,602,825
Operations and Maintenance	3,083,216	2,548,817	-	-	3,083,216	2,548,817
Transportation	1,480,230	1,368,743	-	-	1,480,230	1,368,743
Non-instructional activities	3,150,184	3,368,709	3,241,745	3,245,876	6,391,929	6,614,585
Total Expenses	36,860,048	34,943,706	3,241,745	3,245,876	40,101,793	38,189,582
Excess of revenues over expenses before transfers	5,070,825	3,550,710	384,862	70,442	5,455,687	3,621,152
Transfers	(13,993)	-	13,993	-	-	-
Change in net assets	\$ 5,056,832	\$ 3,550,710	\$ 398,855	\$ 70,442	\$ 5,455,687	\$ 3,621,152

Business Type Activities

Revenues of the District's business type activities were \$3,626,607 and expenses were \$3,241,745. Net assets increased by \$398,855. The District's business type activities include the School Nutrition, Daycare and Community Education Funds. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds as well. On June 30, 2004 the District's governmental funds reported combined fund balances of \$2,473,391, well above the June 30, 2003 ending fund balances of \$1,859,835. This is primarily due to increase cash reserve tax levies in the general fund.

Governmental Fund Highlights

- The District's General Fund financial position improved dramatically during the year. The June 30, 2003 negative fund balance of (\$1,430,536) was reduced to (\$407,734) on June 30, 2004.
- The Debt Service Fund balance increased slightly with taxes levied to cover principal and interest payments.
- As expected the capital projects fund balance declined, as funds borrowed in 2003 were spent on the new Summit Middle School Building project.

Proprietary Fund Highlights

The School Nutrition Fund net assets increased from \$686,970 on June 30, 2003 to \$912,973 on June 30, 2004, representing an increase of approximately 33 percent. The net assets of Community Education increased by 20% and Daycare Funds increased by 33%

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except for internal services, private-purpose trusts and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis. Over the course of the year, the District amended its annual operating budget one time to reflect additional revenue and expenditures associated with the elementary building capital project activity. Schedules showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report.

Legal Budgetary Highlights

The district monitors expenditures compared to the published budget on a monthly basis and amends as necessary. Due to the District's budgetary practice, the certified budget was not exceeded in the four functional areas.

Capital Asset and Debt Administration**Capital Assets**

At June 30, 2004, the District had invested \$59,756,584 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-5) This compares to the June 30, 2003 balance of \$46,630,462. More detailed information about the District's capital assets is available in Note 5 to the financial statements.

The original cost of the District's capital assets was \$79,991,709. Governmental funds account for \$79,156,710 with the remainder, \$834,999, in the Enterprise funds.

The largest change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress totaled \$15,039,664 million on June 30, 2004. This increase represents construction to date on the Summit Middle School project.

Figure A-5
Capital Assets, net of Depreciation

	Governmental Activities		Business type Activities		Total District		Total Change
	June 30,						June 30,
	2,004	2,003	2,004	2,003	2,004	2,003	2003-2004
Land	\$ 2,519,009	1,757,586	-	-	2,519,009	1,757,586	43.3%
Construction in progress	15,039,664	1,372,243	-	-	15,039,664	1,372,243	996.0%
Buildings	40,566,986	41,694,471	-	-	40,566,986	41,694,471	-2.7%
Improvements other than buildings	652,047	749,558			652,047	749,558	-13.0%
Furniture and equipment	577,665	593,162	401,213	463,442	978,878	1,056,604	-7.4%
					-	-	
Total	\$ 59,355,371	46,167,020	401,213	463,442	59,756,584	46,630,462	28.1%

Long-Term Debt

At June 30, 2004 the District had \$32,139,135 in general obligation bonds and other long-term debt outstanding. This represents an increase of approximately 37 percent from June 30, 2003. (See Figure A-6) More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

The large increase in early retirement obligations reflects the increased medical insurance liability as more employees take advantage of the retirement plan. This obligation is a fixed dollar amount toward health insurance until the employee reaches the age of 65.

Figure A-6
Long-Term Debt Obligations

	Total School District		Total Change 2003-04
	2004	2003	
General obligation bonds	\$ 18,050,000	19,200,000	-6.0%
Revenue bonds	7,485,000	3,830,000	95.4%
Capital loan notes	5,900,000	-	
Early retirement	704,135	334,574	110.5%
Totals	\$ 32,139,135	23,364,574	37.6%

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The District expects continued enrollment growth during the foreseeable future. The district's enrollment growth has averaged 5.4% annually over the last 10-years.
- The District has averaged nearly 9% annual increase in the tax base over the past 10 years and continued this trend with a 14% increase during 2004.
- The continued slow growth in state revenues and increasing enrollments will continue to put great pressure on district finances to meet both the personnel and facility needs of the District.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mark Klett, Executive Director of Financial Services, Johnston Community School District, 5608 Merle Hay Road, Johnston, IA 50131-1234.

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Basic Financial Statements

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2004

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Assets				
Current Assets:				
Cash and cash equivalents:	\$ 6,097,948	1,403,081	7,501,029	306,435
Receivables:				
Property tax:				
Delinquent	113,851	-	113,851	-
Succeeding year	19,467,821	-	19,467,821	-
Accounts	993,921	18,667	1,012,588	-
Due from other governments	651,819	-	651,819	-
Inventories	142,972	52,492	195,464	5,019
Total current assets	27,468,332	1,474,240	28,942,572	311,454
Non-current assets:				
Land and improvements	4,508,165	-	4,508,165	-
Buildings and improvements	56,078,677	-	56,078,677	-
Vehicles, furniture and equipment	3,530,204	834,999	4,365,203	-
Construction in progress	15,039,664	-	15,039,664	-
Accumulated depreciation	(19,801,339)	(433,786)	(20,235,125)	-
Total non-current assets	59,355,371	401,213	59,756,584	-
Total assets	86,823,703	1,875,453	88,699,156	311,454
Liabilities				
Current liabilities:				
Accounts payable	2,254,491	68,026	2,322,517	-
Salaries and benefits payable	3,081,717	68,103	3,149,820	-
Accrued interest payable	105,274	-	105,274	-
Deferred revenue:				
Succeeding year property tax	19,467,821	-	19,467,821	-
Other	-	34,034	34,034	-
Capital loan notes payable	600,000	-	600,000	-
Revenue bonds payable	7,485,000	-	7,485,000	-
General obligation bonds payable	1,235,000	-	1,235,000	-
Early retirement payable	111,053	-	111,053	-
Compensated absences	79,859	8,410	88,269	-
Total current liabilities	34,420,215	178,573	34,598,788	-
Non-current liabilities:				
Capital loan notes payable	5,300,000	-	5,300,000	-
General obligation bonds payable	16,815,000	-	16,815,000	-
Early retirement payable	593,082	-	593,082	-
Total non-current liabilities	22,708,082	-	22,708,082	-
Total liabilities	57,128,297	178,573	57,306,870	-

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2004

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
<i>Continued from previous page</i>				
Net Assets				
Invested in capital assets, net of related debt	29,105,935	401,213	29,507,148	-
Restricted for:				
Debt service	103,819	-	103,819	-
Physical plant and equipment levy	1,163,315	-	1,163,315	-
Other special revenue purposes	373,313	-	373,313	-
Other purposes	496,423	-	496,423	-
Unrestricted	(1,547,399)	1,295,667	(251,732)	311,454
Total net assets	\$ 29,695,406	1,696,880	31,392,286	311,454

See notes to financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2003

Functions/Programs	Expenses	Program Revenues	
		Charges for Service	Operating Grants, Contributions and Restricted Interest
Governmental activities:			
Instruction:			
Regular instruction	\$ 16,299,681	1,333,259	925,711
Special instruction	5,449,798	1,791,452	417,699
Other instruction	2,102,687	721,922	59,135
	<u>23,852,166</u>	<u>3,846,633</u>	<u>1,402,545</u>
Support Service:			
Student services	1,118,710	-	-
Instructional staff services	1,305,551	-	-
Administration services	2,698,944	-	-
Operating and maintenance of plant services	3,083,216	17,603	-
Transportation services	1,480,230	204,093	116,202
Central support	171,047	-	-
	<u>9,857,698</u>	<u>221,696</u>	<u>116,202</u>
Non-instructional programs:			
Nutrition services	646		
Community Education services	8		
	<u>654</u>	<u>-</u>	<u>-</u>
Other expenditures:			
Facilities acquisition	760,856	-	-
Long-term debt interest	1,212,624	-	-
AEA flowthrough	1,176,050	-	1,176,050
	<u>3,149,530</u>	<u>-</u>	<u>1,176,050</u>
Total governmental activities	36,860,048	4,068,329	2,694,797
Business type activities:			
Non-instructional programs:			
Nutrition services	1,543,782	1,453,805	315,980
Day Care services	1,230,729	1,358,932	4,100
Community Education services	467,234	438,535	55,255
Total business type activities	<u>3,241,745</u>	<u>3,251,272</u>	<u>375,335</u>
Total primary governmental activities	<u>\$ 40,101,793</u>	<u>7,319,601</u>	<u>3,070,132</u>
Component unit activities:			
Program expenses	\$ 172,599	-	111,508
Management and general expenses	5,272	-	-
Fund raising expenses	307,603	-	547,487
Total component unit activities	<u>\$ 485,474</u>	<u>-</u>	<u>658,995</u>

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business type Activities	Total Primary Government	Component Units
(14,040,711)	-	(14,040,711)	-
(3,240,647)	-	(3,240,647)	-
(1,321,630)	-	(1,321,630)	-
(18,602,988)	-	(18,602,988)	-
(1,118,710)	-	(1,118,710)	-
(1,305,551)	-	(1,305,551)	-
(2,698,944)	-	(2,698,944)	-
(3,065,613)	-	(3,065,613)	-
(1,159,935)	-	(1,159,935)	-
(171,047)	-	(171,047)	-
(9,519,800)	-	(9,519,800)	-
(646)		(646)	-
(8)		(8)	-
(654)		(654)	-
(760,856)	-	(760,856)	-
(1,212,624)	-	(1,212,624)	-
-	-	-	-
(1,973,480)	-	(1,973,480)	-
(30,096,922)	-	(30,096,922)	-
-	226,003	226,003	-
-	132,303	132,303	-
-	26,556	26,556	-
-	384,862	384,862	-
(30,096,922)	384,862	(29,712,060)	-
-	-	-	(61,091)
-	-	-	(5,272)
-	-	-	239,884
-	-	-	173,521

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2003

		Program Revenues	
		Charges for Service	Operating Grants, Contributions and Restricted Interest
	Expenses		
<i>Continued from previous page</i>			
General Revenues:			
<i>Totals from pages 28 and 29</i>	\$ 40,101,793	7,319,601	3,070,132
Property tax levied for:			
General purposes			
Debt service			
Capital outlay			
Local option sales and services tax			
Unrestricted state grants			
Unrestricted investment earnings			
Other			
Transfers			
Gifts to Johnston Community School District			
 Total general revenues and transfers			
 Change in net assets			
 Net assets beginning of year			
 Net assets end of year			

See notes to financial statements.

Exhibit B

Net (Expense) Revenue and Changes in Net Assets				
	Governmental Activities	Business type Activities	Total Primary Government	Component Units
\$	(30,096,922)	384,862	(29,712,060)	173,521
	13,415,403	-	13,415,403	-
	2,012,726	-	2,012,726	-
	1,887,257	-	1,887,257	-
	3,999,532	-	3,999,532	-
	13,358,918	-	13,358,918	-
	126,896	-	126,896	2,029
	367,015	-	367,015	-
	(13,993)	13,993	-	-
	-	-	-	(123,267)
	35,153,754	13,993	35,167,747	(121,238)
	5,056,832	398,855	5,455,687	52,283
	24,638,574	1,298,025	25,936,599	259,171
\$	29,695,406	1,696,880	31,392,286	311,454

JOHNSTON COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2004

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Assets					
Cash and pooled investments	\$ 2,153,324	196,784	2,013,973	1,733,867	6,097,948
Receivables:					
Property tax:					
Current year delinquent	85,005	12,309	-	16,537	113,851
Succeeding year	14,531,240	2,022,478	-	2,914,103	19,467,821
Accounts	993,521	-	-	400	993,921
Due from other governments	23,148	-	628,671	-	651,819
Due from other funds	-	-	3,876	-	3,876
Inventories	142,972	-	-	-	142,972
Total assets	\$ 17,929,210	2,231,571	2,646,520	4,664,907	27,472,208
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 640,252	-	1,460,956	153,283	2,254,491
Salaries and benefits payable	3,081,717	-	-	-	3,081,717
Due to other funds	3,876	-	-	-	3,876
Early retirement payable (note 6)	-	-	-	111,053	111,053
Compensated absences	79,859	-	-	-	79,859
Deferred revenue:					
Succeeding year property tax	14,531,240	2,022,478	-	2,914,103	19,467,821
Total liabilities	18,336,944	2,022,478	1,460,956	3,178,439	24,998,817
Fund balances:					
Reserved for:					
Inventories	142,972	-	-	-	142,972
Debt service	-	209,093	-	-	209,093
Early intervention block grant	45,008	-	-	-	45,008
Gifted and Talented Programs	766	-	-	-	766
Other grants and categorical aid	307,677	-	-	-	307,677
Unreserved:					
Undesignated	(904,157)	-	1,185,564	1,486,468	1,767,875
Total fund balances	(407,734)	209,093	1,185,564	1,486,468	2,473,391
Total liabilities and fund balances	\$ 17,929,210	2,231,571	2,646,520	4,664,907	27,472,208

See notes to financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2004

Total fund balances of governmental funds (pg. 32)	\$ 2,473,391
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	59,355,371
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Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(105,274)
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Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(32,028,082)</u>
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Net assets of governmental activities (pg. 27)	<u><u>\$ 29,695,406</u></u>
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See notes to financial statements.

Exhibit E

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2004

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Revenues:					
Local sources:					
Local tax	\$ 12,666,832	2,012,726	-	2,635,828	17,315,386
Tuition	2,894,604	-	-	-	2,894,604
Other	785,573	3,554	4,074,404	789,032	5,652,563
State sources	15,583,090	649	-	875	15,584,614
Federal sources	475,152	-	-	-	475,152
Total revenues	32,405,251	2,016,929	4,074,404	3,425,735	41,922,319
Expenditures:					
Current:					
Instruction:					
Regular instruction	14,580,899	-	-	342,701	14,923,600
Special instruction	5,449,798	-	-	-	5,449,798
Other instruction	1,323,597	-	-	759,286	2,082,883
	21,354,294	-	-	1,101,987	22,456,281
Support services:					
Student services	1,066,567	-	-	16,290	1,082,857
Instructional staff services	1,294,770	-	-	14,772	1,309,542
Administration services	2,482,749	-	-	83,973	2,566,722
Operation and maintenance of plant services	2,532,850	-	-	562,323	3,095,173
Transportation services	1,300,483	-	-	160,501	1,460,984
Central support services	171,047	-	-	-	171,047
	8,848,466	-	-	837,859	9,686,325
Non-instructional programs:					
Food services	646	-	-	-	646
Community service and education	-	-	-	2,508	2,508
	646	-	-	2,508	3,154
Capital outlay:					
Other expenditures	-	-	14,393,376	805,324	15,198,700
Debt Service:					
Other expenditures:					
Principal	-	3,620,000	-	-	3,620,000
Interest	-	1,184,564	-	-	1,184,564
Services	-	3,250	-	-	3,250
	-	4,807,814	-	-	4,807,814
Intergovernmental:					
Other expenditures	1,176,050	-	-	-	1,176,050
Total expenditures	31,379,456	4,807,814	14,393,376	2,747,678	53,328,324
Excess (deficiency) of revenues over (under) expenditures	1,025,795	(2,790,885)	(10,318,972)	678,057	(11,406,005)

JOHNSTON COMMUNITY SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 June 30, 2004

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
<i>Continued from previous page</i>					
Other financing sources (uses):					
Sale of equipment	-	-	-	8,554	8,554
Operating transfers in	11,000	2,793,031	-	-	2,804,031
Operating transfers out	(13,993)	-	(2,054,048)	(749,983)	(2,818,024)
Bond proceeds	-	-	12,025,000	-	12,025,000
Total other financing sources (uses)	(2,993)	2,793,031	9,970,952	(741,429)	12,019,561
Net change in fund balances	1,022,802	2,146	(348,020)	(63,372)	613,556
Fund balances beginning of year	(1,430,536)	206,947	1,533,584	1,549,840	1,859,835
Fund balances end of year	\$ (407,734)	209,093	1,185,564	1,486,468	2,473,391

See notes to financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year ended June 30, 2004

Net change in fund balances - total governmental funds (pg. 35) \$ 613,556

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays	\$ 14,612,450	
Depreciation expense	<u>(1,424,099)</u>	13,188,351

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets.	3,620,000
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.	(24,810)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Early retirement	(315,265)

Proceeds of long-term debt provide current financial resources to governmental funds but increase long-term liabilities in the Statement of Net Assets.	<u>(12,025,000)</u>
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Change in net assets of governmental activities (pg. 31)	<u>\$ 5,056,832</u>
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See notes to financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2004

	<u>Enterprise Funds</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,403,081
Receivables:	
Accounts	18,667
Inventories	52,492
Total current assets	<u>1,474,240</u>
Non-current assets:	
Property and equipment:	
Machinery and equipment	834,999
Accumulated depreciation	(433,786)
Total non-current assets	<u>401,213</u>
Total assets	<u><u>1,875,453</u></u>
Liabilities	
Current liabilities:	
Accounts payable	68,026
Accrued salaries and benefits payable	68,103
Deferred revenues	34,034
Compensated absences payable	8,410
Total current liabilities	<u>178,573</u>
Net Assets	
Invested in capital assets, net of related debt	401,213
Unrestricted	1,295,667
Total net assets	<u><u>\$ 1,696,880</u></u>

See notes to financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2004

	<u>Enterprise Funds</u>
Operating revenue:	
Local sources:	
Charges for services	<u>\$ 3,260,627</u>
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Depreciation	66,279
Other	1,477,503
	<u>1,543,782</u>
Community service operations:	
Depreciation	6,219
Other	1,691,744
	<u>1,697,963</u>
Total operating expenses	<u>3,241,745</u>
Operating income	<u>18,882</u>
Non-operating revenues:	
State sources	68,717
Federal sources	297,263
Total non-operating revenues	<u>365,980</u>
Income before transfers	384,862
Transfer in	<u>13,993</u>
Change in net assets	398,855
Net assets beginning of year	<u>1,298,025</u>
Net assets end of year	<u><u>\$ 1,696,880</u></u>

See notes to financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2004

	Enterprise Funds
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 1,464,110
Cash received from community services	1,793,712
Cash payments to employees for services	(1,901,166)
Cash payments to suppliers for goods or services	(1,078,720)
Net cash provided by operating activities	<u>277,936</u>
Cash flows from non-capital financing activities:	
State grants received	68,717
Federal grants received	229,087
Transfers in	13,993
Net cash provided by non-capital financing activities	<u>311,797</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(10,269)</u>
Net increase in cash and cash equivalents	579,464
Cash and cash equivalents at beginning of year	<u>823,617</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,403,081</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	18,882
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Commodities used	79,229
Depreciation	72,498
Increase in accounts receivable	(3,668)
Decrease in inventories	39,526
Increase in accounts payable	48,985
Increase in salaries and benefits payable	21,621
Increase in deferred revenue	863
Net cash provided by operating activities	<u>277,936</u>
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:	
Current assets:	
Cash and investments	\$ 1,403,081
Cash and cash equivalents at year end	<u><u>\$ 1,403,081</u></u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2004, the District received federal commodities valued at \$79,229.

See notes to financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS - COMPONENT UNITS
June 30, 2004

	Johnston Community School Foundation	Johnston High School Booster Club	Friends of Johnston ELP	Johnston Middle School PTO	Beaver Creek PTO
Assets					
Cash and pooled investments	\$ 180,832	(2,954)	1,669	9,741	4,630
Inventory	-	-	-	-	-
Total assets	\$ 180,832	(2,954)	1,669	9,741	4,630
Net Assets					
Unrestricted	\$ 180,832	(2,954)	1,669	9,741	4,630

See notes to financial statements.

Exhibit J

Horizon Elementary PTO	Lawson Elementary PTO	Wallace Elementary PTO	Washington D.C. Club	Johnston Band Parents	Johnston Vocal Parents	Johnston High School After Prom	Total
19,282	16,061	25,157	-	39,531	9,670	2,816	306,435
-	4,622	397	-	-	-		5,019
19,282	20,683	25,554	-	39,531	9,670	2,816	311,454
19,282	20,683	25,554	-	39,531	9,670	2,816	311,454

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - COMPONENT UNITS
June 30, 2004

	Johnston Community School Foundation	Johnston High School Booster Club	Friends of Johnston ELP	Johnston Middle School PTO	Beaver Creek PTO
Operating revenues:					
Contributions	\$ 47,042	25,625	420	-	13,473
Membership dues	-	-	-	1,343	2,132
Grants	-	-	-	-	200
Fund Raisers	33,012	114,601	1,782	10,721	106,365
Total operating revenues	80,054	140,226	2,202	12,064	122,170
Operating expenses:					
Program expenses	15,028	76,119	-	6,939	13,185
Management and general expenses	3,322	257	-	190	935
Fund raising expenses	16,238	66,816	533	5,606	64,744
Total operating expenses	34,588	143,192	533	12,735	78,864
Operating income (loss)	45,466	(2,966)	1,669	(671)	43,306
Non-operating revenues (expenses):					
Interest income	812	12	-	118	303
Dividend income	-	-	-	-	-
Unrealized market gain (loss)	-	-	-	-	-
Gifts to Johnston Community School District	-	-	-	-	(38,979)
Net non-operating revenues (expenses)	812	12	-	118	(38,676)
Changes in net assets	46,278	(2,954)	1,669	(553)	4,630
Net assets beginning of year	134,554	-	-	10,294	-
Net assets end of year	\$ 180,832	(2,954)	1,669	9,741	4,630

See notes to financial statements.

Horizon Elementary PTO	Lawson Elementary PTO	Wallace Elementary PTO	Washington D.C. Club	Johnston Band Parents	Johnston Vocal Parents	Johnston High School After Prom	Total
4,903	1,152	3,383	-	-	-	11,070	107,068
765	-	-	-	-	-	-	4,240
-	-	-	-	-	-	-	200
79,465	49,986	56,522	8,426	30,527	55,780	300	547,487
85,133	51,138	59,905	8,426	30,527	55,780	11,370	658,995
23,028	-	-	3,008	8,514	17,510	9,268	172,599
-	194	101	-	-	273	-	5,272
45,107	28,794	30,639	5,418	15,364	28,344	-	307,603
68,135	28,988	30,740	8,426	23,878	46,127	9,268	485,474
16,998	22,150	29,165	-	6,649	9,653	2,102	173,521
341	60	366	-	-	17	-	2,029
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(11,732)	(23,255)	(49,301)	-	-	-	-	(123,267)
(11,391)	(23,195)	(48,935)	-	-	17	-	(121,238)
5,607	(1,045)	(19,770)	-	6,649	9,670	2,102	52,283
13,675	21,728	45,324	-	32,882	-	714	259,171
19,282	20,683	25,554	-	39,531	9,670	2,816	311,454

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2004

(1) **Summary of Significant Accounting Policies**

The Johnston Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the city of Johnston, Iowa; portions of Johnston, Des Moines, Granger and Grimes, Iowa; and other unincorporated areas of Polk County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A.. Reporting Entity

For financial reporting purposes, Johnston Community School District has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District.

Discrete Component Units

Johnston Community School Foundation is a legally separate not-for-profit entity. Johnston Community School Foundation was established for the purpose of providing additional educational opportunities for the students and faculty of Johnston Community School District. Although the District does not control the timing or amount of receipts from Johnston Community School Foundation, the majority of the resources that are held are used for the benefit of Johnston Community School District.

Johnston Athletic Booster Club is a legally separate not-for-profit entity. Johnston Athletic Booster Club was established for the purpose of providing additional educational and athletic opportunities for the students of Johnston Community School District. Although the District does not control the timing or amount of receipts from Johnston Athletic Booster Club, the majority of the resources that are held are used for the benefit of Johnston Community School District.

Friends of Johnston ELP is a legally separate not-for-profit entity. Friends of Johnston ELP was established for the purpose of providing additional educational opportunities for the students of Johnston Community School District. Although the District does not control the timing or amount of receipts from Friends of Johnston ELP, the majority of the resources that are held are used for the benefit of Johnston Community School District.

Johnston Middle School PTO is a legally separate not-for-profit entity. Johnston Middle School PTO was established for the purpose of providing additional educational and recreational opportunities for the students of Johnston Community School District. Although the District does not control the timing or amount of receipts from Johnston Middle School PTO, the majority of the resources that are held are used for the benefit of Johnston Community School District.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2004

Beaver Creek Elementary PTO is a legally separate not-for-profit entity. Beaver Creek Elementary PTO was established for the purpose of providing additional educational and recreational opportunities for the students of Johnston Community School District. Although the District does not control the timing or amount of receipts from Beaver Creek Elementary PTO, the majority of the resources that are held are used for the benefit of Johnston Community School District.

Horizon Elementary PTO is a legally separate not-for-profit entity. Horizon Elementary PTO was established for the purpose of providing additional educational and recreational opportunities for the students of Johnston Community School District. Although the District does not control the timing or amount of receipts from Horizon Elementary PTO, the majority of the resources that are held are used for the benefit of Johnston Community School District.

Lawson Elementary PTO is a legally separate not-for-profit entity. Lawson Elementary PTO was established for the purpose of providing additional educational and recreational opportunities for the students of Johnston Community School District. Although the District does not control the timing or amount of receipts from Lawson Elementary PTO, the majority of the resources that are held are used for the benefit of Johnston Community School District.

Wallace Elementary PTO is a legally separate not-for-profit entity. Wallace Elementary PTO was established for the purpose of providing additional educational and recreational opportunities for the students of Johnston Community School District. Although the District does not control the timing or amount of receipts from Wallace Elementary PTO, the majority of the resources that are held are used for the benefit of Johnston Community School District.

Johnston Band Boosters is a legally separate not-for-profit entity. Johnston Band Boosters was established for the purpose of providing additional opportunities for the students of Johnston Community School District. Although the District does not control the timing or amount of receipts from Johnston Band Boosters, the majority of the resources that are held are used for the benefit of Johnston Community School District.

Johnston Music Boosters is a legally separate not-for-profit entity. Johnston Music Boosters was established for the purpose of providing additional opportunities for the students of Johnston Community School District. Although the District does not control the timing or amount of receipts from Johnston Music Boosters, the majority of the resources that are held are used for the benefit of Johnston Community School District.

Johnston Community Schools Student Trip is a legally separate not-for-profit entity. Johnston Community Schools Student Trip was established for the purpose of providing additional educational and recreational opportunities for the students of Johnston Community School District. Although the District does not control the timing or amount of receipts from Johnston Community Schools Student Trip, the majority of the resources that are held are used for the benefit of Johnston Community School District.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Polk County Assessor's Conference Board.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

B. Basis of Presentation

Government-wide financial statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, including instructional, support and other costs.

The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2004

The District reports the following major proprietary fund:

The District's proprietary funds are made up of three enterprise funds: School Nutrition, Community Daycare and Community Education. These funds are used to account for the District's food service operations, community daycare operations and community education service operations.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary fund of the District applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2004

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable – Property tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the Government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2002 assessed property valuations; is for the tax accrual period July 1, 2003 through June 30, 2004 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2003.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2004

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 3,500
Buildings	3,500
Improvements other than buildings	3,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	3,500

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which is payable in July and August, have been accrued as liabilities.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end.

Deferred revenue on the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation benefits payable to employees. However, these benefits must be used by the end of the following fiscal year, June 30, 2005. As such, these benefits are reported as a current liability in the General Fund as part of salaries and benefits payable.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Balances – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2004, disbursements did not exceed the amounts budgeted.

(2) **Cash and Pooled Investments**

The District's deposits in banks at June 30, 2003 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

(3) **Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2004 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General Fund	Special Revenue Fund - Student Activity	\$ 11,000
Proprietary Fund - Community Education	General Fund	13,993
Debt Service Fund	Special Revenue Fund- Physical Plant and Equipment Levy	738,983
Debt Service Fund	Capital Projects Fund	<u>2,054,048</u>
		<u>\$2,818,024</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

(4) Iowa School Cash Anticipation Program (ISCAP)

The District participated in the Iowa Schools Cash Anticipation Program (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by a semiannual issuance of anticipatory warrants which mature as noted below. The warrant sizing of each school corporation is based on a projection of cash flow needs during the semiannual period. ISCAP accounts are maintained for each participating entity monthly statements are provided regarding their cash balance, interest earnings, and amounts available for withdrawal for each outstanding series of warrants. These accounts are reflected as restricted assets on the balance sheet. Wells Fargo Bank, Iowa NA, was the trustee for the 2002-03 Series A and B programs. The District did not participate in the 2003-04 program. At June 30, 2004, the 2002-03B series had been repaid in full.

The District pledges its state foundation aid payments and General Fund receipts as security for warrants issued. Repayments must be made when General Fund receipts are received. If a balance is outstanding on the last date the funds are available to be drawn, then the District must repay the outstanding withdrawal from its General Fund receipts. In addition, the District must make minimum warrant repayments on the 25th of each month immediately following the final date that the warrant proceeds may be used in an amount equal to 25% of the warrant amount. There was no ISCAP advance activity during the year ended June 30, 2004.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004**(5) Capital Assets**

Capital assets activity for the year ended June 30, 2004 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,757,586	761,423	-	2,519,009
Construction in progress	1,372,243	13,667,421	-	15,039,664
Total capital assets not being depreciated	3,129,829	14,428,844	-	17,558,673
Capital assets being depreciated:				
Buildings	56,078,677	-	-	56,078,677
Improvements other than buildings	1,989,156	-	-	1,989,156
Furniture and equipment	3,438,699	183,606	92,101	3,530,204
Total capital assets being depreciated	61,506,532	183,606	92,101	61,598,037
Less accumulated depreciation for:				
Buildings	14,384,206	1,127,485	-	15,511,691
Improvements other than buildings	1,239,598	97,511	-	1,337,109
Furniture and equipment	2,845,537	199,103	92,101	2,952,539
Total accumulated depreciation	18,469,341	1,424,099	92,101	19,801,339
Total capital assets being depreciated, net	43,037,191	(1,240,493)	-	41,796,698
Governmental activities capital assets, net	\$ 46,167,020	13,188,351	-	59,355,371
Business type activities:				
Furniture and equipment	\$ 850,934	10,269	26,204	834,999
Less accumulated depreciation	387,492	72,498	26,204	433,786
Business-type activities capital assets, net	\$ 463,442	(62,229)	-	401,213

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular

\$ 1,207,478

Other

19,804

Support services:

Student services

2,903

Administration

44,366

Operation and maintenance of plant

11,348

Transportation

138,200

1,424,099

Unallocated

-

Total depreciation expense - governmental activities

\$ 1,424,099

Business type activities:

Food services

\$ 66,279

Community Daycare

4,937

Community Education

1,282

\$ 72,498

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

(6) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2004 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
General obligation bonds	\$ 19,200,000	-	1,150,000	18,050,000	1,235,000
Revenue bonds	3,830,000	5,525,000	1,870,000	7,485,000	7,485,000
Capital loan notes	-	6,500,000	600,000	5,900,000	600,000
Early retirement	334,574	627,517	257,956	704,135	111,053
	<u>\$ 23,364,574</u>	<u>12,652,517</u>	<u>3,877,956</u>	<u>32,139,135</u>	<u>9,431,053</u>

Early Retirement

The District offers a voluntary early retirement plan for all employees. Eligible employees must be at least age fifty-five and employees must have completed ten years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education. The early retirement incentive for each eligible employee is equal to 30% of the average of the employee's highest three year's salary in the twelve years prior to retirement. Early retirement benefits paid during the year ended June 30, 2004, totaled \$55,292.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

General Obligation Bonds Payable

Details of the District's June 30, 2004 general obligation bonded indebtedness are as follows:

Bond Issue of March 1, 1996				
Year Ending June 30,	Rates	Principal	Interest	Total
2005	5.50%	\$ 90,000	406,475	496,475
2006	4.60%	500,000	401,525	901,525
2007	4.75%	525,000	378,525	903,525
2008	4.90%	600,000	353,588	953,588
2009	5.00%	600,000	324,188	924,188
2010	5.10%	675,000	294,188	969,188
2011	5.15%	725,000	259,763	984,763
2012	5.20%	750,000	222,425	972,425
2013	5.25%	1,110,000	183,425	1,293,425
2014	5.30%	1,150,000	125,150	1,275,150
2015	5.35%	1,200,000	64,200	1,264,200
Subtotal		7,925,000	3,013,452	10,938,452

Bond Issue of April 1, 1997				
Year Ending June 30,	Rates	Principal	Interest	Total
2005	6.10%	25,000	183,958	208,958
2006	6.10%	270,000	182,433	452,433
2007	6.00%	275,000	165,963	440,963
2008	5.10%	300,000	149,463	449,463
2009	5.20%	300,000	134,163	434,163
2010	5.30%	300,000	118,563	418,563
2011	5.375%	300,000	102,663	402,663
2012	5.375%	310,000	86,538	396,538
2013	5.375%	325,000	69,875	394,875
2014	5.375%	325,000	52,406	377,406
2015	5.375%	325,000	34,938	359,938
2016	5.375%	325,000	17,469	342,469
Subtotal		3,380,000	1,298,432	4,678,432

Refunding Bond Issue of November 1, 2000				
Year Ending June 30,	Rates	Principal	Interest	Total
2005	4.65%	670,000	31,155	701,155
Subtotal		670,000	31,155	701,155

Refunding Bond Issue of April 1, 2003				
Year Ending June 30,	Rates	Principal	Interest	Total
2005	2.50%	450,000	164,390	614,390
2006	2.50%	795,000	153,140	948,140
2007	2.50%	780,000	133,265	913,265
2008	2.50%	770,000	113,765	883,765
2009	2.50%	805,000	94,515	899,515
2010	2.80%	790,000	74,390	864,390
2011	3.00%	825,000	52,270	877,270
2012	3.20%	860,000	27,520	887,520
Subtotal		6,075,000	813,255	6,888,255

Totals			
Year Ending June 30,	Principal	Interest	Total
2005	\$ 1,235,000	785,978	2,020,978
2006	1,565,000	737,098	2,302,098
2007	1,580,000	677,753	2,257,753
2008	1,670,000	616,816	2,286,816
2009	1,705,000	552,866	2,257,866
2010	1,765,000	487,141	2,252,141
2011	1,850,000	414,696	2,264,696
2012	1,920,000	336,483	2,256,483
2013	1,435,000	253,300	1,688,300
2014	1,475,000	177,556	1,652,556
2015	1,525,000	99,138	1,624,138
2016	325,000	17,469	342,469
Total	\$ 18,050,000	5,156,294	23,206,294

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2004

Revenue Bonds Payable

Details of the District's June 30, 2004 local option sales and service tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Rates	Principal	Interest	Total
Bond Issue of May 1, 2002				
2005	3.50%	\$ 1,960,000	68,600	2,028,600
Bond Issue of November 1, 2003				
2005	3.00%	3,000,000	90,000	3,090,000
Bond Issue of February 1, 2004				
2005	1.63%	2,525,000	41,158	2,566,158
		<u>\$ 7,485,000</u>	<u>199,758</u>	<u>7,684,758</u>

The local option sales and services tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the local option sales and services tax revenues received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District.

The resolution providing for the issuance of the local option sales and services tax revenue bonds includes the following provisions:

- \$556,500 of the proceeds from the issuance of the revenue bonds shall be deposited to the Reserve Account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the Sinking Account. The balance of the proceeds shall be deposited to the Project Account.
- All proceeds from the local option sales and services tax shall be placed in a Revenue Account.
- Monies in the Revenue Account shall be disbursed to make deposits into a Sinking Account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- Any monies remaining in the Revenue Account after the required transfer to the Sinking Account may be transferred to the Project Account to be used for any lawful purpose.

The District complied with all of the provisions during the year ended June 30, 2004.

Capital Loan Notes Payable

Capital Loan Note of June 1, 2003				
Year Ending June 30,	Rates	Principal	Interest	Total
2005	2.00%	\$ 600,000	142,290	742,290
2006	2.00%	610,000	130,290	740,290
2007	2.00%	625,000	118,090	743,090
2008	2.25%	635,000	105,590	740,590
2009	2.25%	650,000	91,302	741,302
2010	2.75%	660,000	76,678	736,678
2011	2.65%	685,000	58,527	743,527
2012	2.75%	705,000	40,375	745,375
2013	2.875%	730,000	20,988	750,988
Total		<u>\$ 5,900,000</u>	<u>784,130</u>	<u>6,684,130</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2004

At the school election held on September 10, 2002, a special proposition authorizing the levy of tax not exceeding one dollar and thirty-four cents per one hundred thousand dollars of assessed value was adopted and approved by the electors. In order to make the proceeds of this voted tax immediately available, the Board of Directors, pursuant to Iowa Code section 297.36, authorized the sale of \$6,500,000 of capital loan notes.

(7) Segment Information for Enterprise Funds

The District maintains three enterprise funds which provide education, childcare and food services. Segment information for the year ended June 30, 2004 is as follows:

	Community Education Fund	Community Daycare Fund	School Nutrition Fund	Total Enterprise Funds
Operating revenues	\$ 443,790	1,363,032	1,453,805	3,260,627
Depreciation expense	1,282	4,937	66,279	72,498
Operating income (loss)	(23,444)	132,303	(89,977)	18,882
Net income (loss)	26,556	132,303	226,003	384,862
Current capital:				
Contributions	-	-	-	-
Property, plant and equipment:				
Additions	-	-	10,269	10,269
Deletions	-	26,204	-	26,204
Net working capital	234,063	526,852	534,752	1,295,667
Total assets	290,995	602,622	1,011,836	1,905,453
Total equity	\$ 245,018	538,889	912,973	1,696,880

(8) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual salary and the District is required to contribute 5.75% of annual payroll. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2004, 2003 and 2002, were \$1,199,363, \$1,142,384, and \$1,071,897, respectively, equal to the required contributions for each year.

(9) Risk Management

Johnston Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2004

(10) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$1,176,050 for the year ended June 30, 2004 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

(11) Construction Commitment

The District has entered into contracts totaling \$18,220,648 for the Johnston Community School District Grades 6 and 7 Building project. As of June 30, 2004, costs of \$15,039,664 had been incurred against the contracts. The balance of \$3,180,984 remaining at June 30, 2004 will be paid as work on the project progresses.

(12) Deficit Fund Balance

The General Fund had a deficit balance of \$407,734 as of June 30, 2004. The Management Fund had a deficit balance of \$50,160 as of June 30, 2004.

(13) Accounting Change

Governmental Accounting Standards Board (GASB) Interpretation No. 39, Determining Whether Certain Organizations Are Component Units was implemented for the year ended June 30, 2004. The statement gives guidelines to the inclusion of component units on the financial statements. The District has presented the following entities as discretely presented component units: Johnston Community School Foundation, Johnston Athletic Booster Club, Friends of Johnston ELP, Johnston Middle School PTO, Horizon Elementary PTO, Lawson Elementary PTO, Wallace Elementary PTO, Johnston Band Boosters, Johnston Music Boosters, and Johnston Community Schools Student Trip. Since the component units are discretely presented, there is no change in the District's previously reported net assets.

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Required Supplementary Information

JOHNSTON COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2004

	Budgeted Amounts		Actual	Final to Actual Variance- Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Local tax	\$ 12,699,233	12,699,233	12,666,832	(32,401)
Tuition	2,966,215	2,966,215	2,894,604	(71,611)
Other	422,000	422,000	785,573	363,573
State sources	16,093,580	16,093,580	15,583,090	(510,490)
Federal sources	440,220	440,220	475,152	34,932
Total revenues	32,621,248	32,621,248	32,405,251	(215,997)
Expenditures:				
Current:				
Instruction	19,807,407	20,772,270	21,354,294	(582,024)
Support services:				
Student services	1,388,770	1,385,130	1,066,567	318,563
Instructional staff services	2,573,545	2,573,545	1,294,770	1,278,775
Administration services	2,545,590	2,545,590	2,482,749	62,841
Operation and maintenance of plant services	2,717,655	2,717,655	2,532,850	184,805
Transportation services	1,263,080	1,263,080	1,300,483	(37,403)
Central support services	-	-	171,047	(171,047)
	10,488,640	10,485,000	8,848,466	1,636,534
Non-instructional programs:				
Food services	-	-	646	(646)
	-	-	646	(646)
Intergovernmental:				
Other expenditures	1,260,549	1,260,549	1,176,050	84,499
Total expenditures	31,556,596	32,517,819	31,379,456	1,138,363
Excess of revenues over expenditures	1,064,652	103,429	1,025,795	922,366
Other financing sources (uses):				
Operating transfers in	-	-	11,000	11,000
Operating transfers out	-	-	(13,993)	(13,993)
Total other financing uses	-	-	(2,993)	(2,993)
Excess of revenues and other financing sources over expenditures and other financing uses	1,064,652	103,429	1,022,802	919,373
Fund balances beginning of year	(1,314,652)	(1,314,652)	(1,430,536)	(115,884)
Fund balances end of year	\$ (250,000)	(1,211,223)	(407,734)	803,489

JOHNSTON COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
DEBT SERVICE FUND
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2004

	Budgeted Amounts		Actual	Final to Actual Variance- Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Local tax	\$ 2,015,084	2,015,084	2,012,726	(2,358)
Other	25,000	25,000	3,554	(21,446)
State sources	-	-	649	649
Total revenues	<u>2,040,084</u>	<u>2,040,084</u>	<u>2,016,929</u>	<u>(23,155)</u>
Expenditures:				
Debt Service:				
Other expenditures	<u>4,259,105</u>	<u>4,259,105</u>	<u>4,807,814</u>	<u>(548,709)</u>
Total expenditures	<u>4,259,105</u>	<u>4,259,105</u>	<u>4,807,814</u>	<u>(548,709)</u>
Deficiency of revenues under expenditures	<u>(2,219,021)</u>	<u>(2,219,021)</u>	<u>(2,790,885)</u>	<u>(571,864)</u>
Other financing sources:				
Operating transfers in	<u>1,999,751</u>	<u>1,999,751</u>	<u>2,793,031</u>	<u>793,280</u>
Total other financing sources	<u>1,999,751</u>	<u>1,999,751</u>	<u>2,793,031</u>	<u>793,280</u>
Net change in fund balances	(219,270)	(219,270)	2,146	221,416
Fund balances beginning of year	<u>219,270</u>	<u>219,270</u>	<u>206,947</u>	<u>(12,323)</u>
Fund balances end of year	<u>\$ -</u>	<u>-</u>	<u>209,093</u>	<u>209,093</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
CAPITAL PROJECTS FUND
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2004

	Budgeted Amounts		Actual	Final to Actual Variance- Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Other	\$ 3,800,000	3,800,531	4,074,404	273,873
Total revenues	3,800,000	3,800,531	4,074,404	273,873
Expenditures:				
Capital outlay:				
Other expenditures	19,408,772	19,409,303	14,393,376	5,015,927
Total expenditures	19,408,772	19,409,303	14,393,376	5,015,927
Excess (deficiency) of revenues over (under) expenditures	(15,608,772)	(15,608,772)	(10,318,972)	5,289,800
Other financing sources (uses):				
Operating transfers out	(1,999,751)	(1,999,751)	(2,054,048)	(54,297)
Bond proceeds	16,400,000	16,400,000	12,025,000	(4,375,000)
Total other financing sources (uses)	14,400,249	14,400,249	9,970,952	(4,429,297)
Net change in fund balances	(1,208,523)	(1,208,523)	(348,020)	860,503
Fund balances beginning of year	1,208,523	1,208,523	1,533,584	325,061
Fund balances end of year	\$ -	-	1,185,564	1,185,564

JOHNSTON COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2004

	Budgeted Amounts		Actual	Final to Actual Variance- Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Local tax	\$ 2,634,914	2,634,914	2,635,828	914
Other	935,000	935,000	789,032	(145,968)
State sources	-	-	875	875
Total revenues	3,569,914	3,569,914	3,425,735	(144,179)
Expenditures:				
Current:				
Instruction	1,727,730	1,727,730	1,101,987	625,743
Support services:				
Student services	30,000	30,000	16,290	13,710
Instructional staff services	30,000	30,000	14,772	15,228
Administration services	85,000	85,000	83,973	1,027
Operation and maintenance of plant services	30,000	30,000	562,323	(532,323)
Transportation services	20,000	20,000	160,501	(140,501)
Central support services	20,000	20,000	-	20,000
	215,000	215,000	837,859	(622,859)
Non-instructional programs:				
Community services and education	-	-	2,508	(2,508)
	-	-	2,508	(2,508)
Capital outlay:				
Other expenditures	2,513,043	2,513,043	805,324	1,707,719
Total expenditures	4,455,773	4,455,773	2,747,678	1,708,095
Excess (deficiency) of revenues over (under) expenditures	(885,859)	(885,859)	678,057	1,563,916
Other financing sources (uses):				
Sale of equipment	-	-	8,554	8,554
Operating transfers out	-	-	(749,983)	(749,983)
Total other financing uses	-	-	(741,429)	(741,429)
Net change in fund balances	(885,859)	(885,859)	(63,372)	822,487
Fund balances beginning of year	885,859	885,859	1,484,665	598,806
Fund balances end of year	\$ -	-	1,421,293	1,421,293

JOHNSTON COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
PROPRIETARY FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2004

	Budgeted amounts		Actual	Final to Actual Variance- Positive (Negative)
	Original	Final		
Operating revenue:				
Local sources:				
Charges for services	\$ 3,175,000	3,174,813	3,260,627	85,814
Operating expenses:				
Non-instructional programs:				
Food service operations:	1,731,506	1,731,319	1,543,782	187,537
Community service operations:	2,126,681	2,126,681	1,697,963	428,718
Total operating expenses	3,858,187	3,858,000	3,241,745	616,255
Operating income (loss)	(683,187)	(683,187)	18,882	702,069
Non-operating revenues:				
State sources	20,000	20,000	68,717	48,717
Federal sources	150,000	150,000	297,263	147,263
Total non-operating revenues	170,000	170,000	365,980	195,980
Income (loss) before transfers	(513,187)	(513,187)	384,862	898,049
Transfer in	-	-	13,993	13,993
Change in net assets	(513,187)	(513,187)	398,855	912,042
Net assets beginning of year	513,187	513,187	1,298,025	784,838
Net assets end of year	\$ -	-	1,696,880	1,696,880

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JOHNSTON COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN BALANCES - BUDGET AND ACTUAL (GAAP BASIS) - ALL GOVERNMENTAL
FUND TYPES AND PROPRIETARY FUND
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2004

	Governmental Fund Types- Actual	Proprietary Fund Type- Actual
Revenues:		
Local sources	\$ 25,862,553	3,260,627
State sources	15,584,614	68,717
Federal sources	475,152	297,263
Total revenues	<u>41,922,319</u>	<u>3,626,607</u>
Expenditures:		
Instruction	22,456,281	-
Support services	9,686,325	-
Noninstructional programs	3,154	3,241,745
Other expenditures	21,182,564	-
Total expenditures	<u>53,328,324</u>	<u>3,241,745</u>
Excess (deficiency) of revenues over (under) expenditures	(11,406,005)	384,862
Other financing sources, net	<u>12,019,561</u>	<u>13,993</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	613,556	398,855
Balances beginning of year	<u>1,794,660</u>	<u>1,298,025</u>
Balances end of year	<u><u>\$ 2,408,216</u></u>	<u><u>1,696,880</u></u>

See accompanying independent auditor's report.

Total Actual	Final Budget	Final to Actual Variance- Positive (Negative)
29,123,180	28,672,790	450,390
15,653,331	16,113,580	(460,249)
772,415	590,220	182,195
45,548,926	45,376,590	172,336
22,456,281	22,500,000	43,719
9,686,325	10,700,000	1,013,675
3,244,899	3,858,000	613,101
21,182,564	27,442,000	6,259,436
56,570,069	64,500,000	7,929,931
(11,021,143)	(19,123,410)	8,102,267
12,033,554	16,400,000	(4,366,446)
1,012,411	(2,723,410)	3,735,821
3,092,685	1,512,187	1,580,498
4,105,096	(1,211,223)	5,316,319

JOHNSTON COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
Year ended June 30, 2004

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the modified accrual basis. Encumbrances are not recognized on the modified accrual basis budget and appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment which reallocated expenditures by functional area to reflect an increase in total expenditures.

During the year ended June 30, 2004, expenditures did not exceed the amounts budgeted.

Other Supplementary Information

JOHNSTON COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2004

	Management	Student Activity	Physical Plant and Equipment Levy	Total
Assets				
Current Assets:				
Cash and pooled investments	\$ 55,870	476,870	1,201,127	1,733,867
Receivables:				
Property tax:				
Current year delinquent	5,023	-	11,514	16,537
Succeeding year	850,000	-	2,064,103	2,914,103
Accounts	-	-	400	400
Total assets	\$ 910,893	476,870	3,277,144	4,664,907
Liabilities and Fund Balances				
Current Liabilities:				
Accounts payable	-	103,557	49,726	153,283
Early retirement payable	111,053	-	-	111,053
Deferred revenue:				
Succeeding year property tax	850,000	-	2,064,103	2,914,103
Total liabilities	961,053	103,557	2,113,829	3,178,439
Fund balances:				
Unreserved	(50,160)	373,313	1,163,315	1,486,468
Total liabilities and fund balances	\$ 910,893	476,870	3,277,144	4,664,907

See accompanying independent auditor's report.

Schedule 2

JOHNSTON COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 Year ended June 30, 2004

	Management	Student Activity	Physical Plant and Equipment Levy	Total
Revenues:				
Local sources:				
Local tax:				
Property tax	\$ 715,697	-	1,812,058	2,527,755
Utility tax replacement excise tax	32,040	-	72,238	104,278
Mobile home tax	834	-	2,961	3,795
	<u>748,571</u>	<u>-</u>	<u>1,887,257</u>	<u>2,635,828</u>
Other local sources:				
Interest on investments	-	-	5,534	5,534
Student activities	-	249,347	-	249,347
Donations	-	59,376	2,200	61,576
Other local revenue	100	453,138	19,337	472,575
	<u>100</u>	<u>761,861</u>	<u>27,071</u>	<u>789,032</u>
	<u>748,671</u>	<u>761,861</u>	<u>1,914,328</u>	<u>3,424,860</u>
State sources:				
Revenue in lieu of taxes :				
Military credit	268	-	607	875
Total revenues	<u>748,939</u>	<u>761,861</u>	<u>1,914,935</u>	<u>3,425,735</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction:				
Benefits	342,701	-	-	342,701
	<u>342,701</u>	<u>-</u>	<u>-</u>	<u>342,701</u>
Co-curricular instruction:				
Purchased services	-	115,451	-	115,451
Supplies	-	288,672	-	288,672
Property	-	33,280	-	33,280
Other	-	320,585	-	320,585
	<u>-</u>	<u>757,988</u>	<u>-</u>	<u>757,988</u>
Adult/Continuing ed instruction:				
Benefits	1,298	-	-	1,298
	<u>1,298</u>	<u>-</u>	<u>-</u>	<u>1,298</u>
Total instruction	<u>343,999</u>	<u>757,988</u>	<u>-</u>	<u>1,101,987</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 Year ended June 30, 2004

Continued from previous page

Expenditures:

Current:

Support Services:

Student support:

Benefits

	Management	Student Activity	Physical Plant and Equipment Levy	Total
Benefits	16,290	-	-	16,290

Instructional staff support:

Benefits

Benefits	14,772	-	-	14,772
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General administration:

Benefits

Benefits	41,984	-	-	41,984
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Building administration:

Benefits

Benefits	33,704	-	-	33,704
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Business administration:

Benefits

2,961

-

-

2,961

Purchased services

-

2,074

2,074

Property

-

3,250

3,250

2,961

-

5,324

8,285

Plant operation and maintenance:

Benefits

14,948

-

-

14,948

Purchased services

70,445

-

437,174

507,619

Property

-

-

39,756

39,756

85,393

-

476,930

562,323

Student transportation:

Benefits

10,522

-

-

10,522

Purchased services

31,025

-

-

31,025

Property

-

-

118,954

118,954

41,547

-

118,954

160,501

Total support services

236,651

-

601,208

837,859

Non-instructional Programs:

Community service & education:

Purchased services

2,508

-

-

2,508

JOHNSTON COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 Year ended June 30, 2004

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<i>Continued from previous page</i>				
Expenditures:				
Capital outlay:				
Other expenditures:				
Facilities acquisition:				
Purchased services	-	-	22,665	22,665
Supplies	-	-	22,236	22,236
Property	-	-	760,423	760,423
	-	-	805,324	805,324
Total expenditures	583,158	757,988	1,406,532	2,747,678
Excess of revenues over expenditures	165,781	3,873	508,403	678,057
Other financing sources (uses):				
Compensation for loss of fixed assets	-	-	8,554	8,554
Operating transfers out	-	(11,000)	(738,983)	(749,983)
Total other financing uses	-	(11,000)	(730,429)	(741,429)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	165,781	(7,127)	(222,026)	(63,372)
Fund balances beginning of year	(215,941)	380,440	1,385,341	1,549,840
Fund balances end of year	\$ (50,160)	373,313	1,163,315	1,486,468

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2004

	Enterprise Funds			
	Community Education	Community Daycare	School Nutrition	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 238,031	588,227	576,823	1,403,081
Receivables:				
Accounts	14,367	-	4,300	18,667
Due from other governments	-	-	-	-
Inventories	-	-	52,492	52,492
Total current assets	252,398	588,227	633,615	1,474,240
Non-current assets:				
Property and equipment:				
Machinery and equipment	12,225	32,326	790,448	834,999
Accumulated depreciation	(3,628)	(17,931)	(412,227)	(433,786)
Total non-current assets	8,597	14,395	378,221	401,213
Total assets	260,995	602,622	1,011,836	1,875,453
Liabilities				
Current liabilities:				
Accounts payable	15,334	52,154	538	68,026
Accrued salaries and benefits payable	-	5,782	62,321	68,103
Deferred revenues	-	225	33,809	34,034
Compensated absences payable	643	5,572	2,195	8,410
Total current liabilities	15,977	63,733	98,863	178,573
Net Assets				
Invested in capital assets, net of related debt	8,597	14,395	378,221	401,213
Unrestricted	236,421	524,494	534,752	1,295,667
Total net assets	\$ 245,018	538,889	912,973	1,696,880

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 Year ended June 30, 2004

	Enterprise Funds			Total
	Community Education	Community Daycare	School Nutrition	
Operating revenues:				
Local sources:				
Other local sources:				
Food service sales	\$ -	-	1,453,805	1,453,805
Daycare service fees	-	1,358,932	-	1,358,932
Community education fees	336,464	-	-	336,464
Rentals	88,795	-	-	88,795
Contributions	5,255	4,100	-	9,355
Other revenue	13,276	-	-	13,276
Total operating revenues	443,790	1,363,032	1,453,805	3,260,627
Operating expenses:				
Non-instructional programs:				
Food services operations:				
Salaries	-	-	496,189	496,189
Benefits	-	-	143,966	143,966
Services	-	-	22,488	22,488
Supplies	-	-	811,723	811,723
Other	-	-	3,137	3,137
Depreciation	-	-	66,279	66,279
	-	-	1,543,782	1,543,782
Community service operations:				
Salaries	265,828	830,942	-	1,096,770
Benefits	55,216	130,654	-	185,870
Services	119,257	141,792	-	261,049
Supplies	19,324	113,261	-	132,585
Property	726	1,156	-	1,882
Other	5,601	7,987	-	13,588
Depreciation	1,282	4,937	-	6,219
	467,234	1,230,729	-	1,697,963
Total operating expenses	467,234	1,230,729	1,543,782	3,241,745
Operating income (loss)	(23,444)	132,303	(89,977)	18,882
Non-operating revenues:				
State Empowerment Grant	50,000	-	-	50,000
State lunch and breakfast program claims	-	-	18,717	18,717
Federal Fruit and Vegetable Grant	-	-	23,140	23,140
National School Lunch Program	-	-	178,392	178,392
School Breakfast Program	-	-	16,502	16,502
Federal food commodities revenue	-	-	79,229	79,229
Total non-operating revenues	50,000	-	315,980	365,980

JOHNSTON COMMUNITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 Year ended June 30, 2004

	Enterprise Funds			Total
	Community Education	Community Daycare	School Nutrition	
<i>Continued from previous page</i>				
Income before transfers	26,556	132,303	226,003	384,862
Transfers in	13,993	-	-	13,993
Changes in net assets	40,549	132,303	226,003	398,855
Net assets beginning of year	204,469	406,586	686,970	1,298,025
Net assets end of year	<u>\$ 245,018</u>	<u>538,889</u>	<u>912,973</u>	<u>1,696,880</u>

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2004

	Enterprise Funds			
	Community Education	Community Daycare	School Nutrition	Total
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	\$ -	-	1,464,110	1,464,110
Cash received from community services	430,865	1,362,847	-	1,793,712
Cash payments to employees for services	(319,471)	(959,680)	(622,015)	(1,901,166)
Cash payments to suppliers for goods or services	(132,192)	(227,783)	(718,745)	(1,078,720)
Net cash provided (used) by operating activities	(20,798)	175,384	123,350	277,936
Cash flows from non-capital financing activities:				
State grants received	50,000	-	18,717	68,717
Federal grants received	-	-	229,087	229,087
Transfers in	13,993	-	-	13,993
Net cash provided by non-capital financing activities	63,993	-	247,804	311,797
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	-	(10,269)	(10,269)
Net increase in cash and cash equivalents	43,195	175,384	360,885	579,464
Cash and cash equivalents at beginning of year	194,836	412,843	215,938	823,617
Cash and cash equivalents at end of year	\$ 238,031	588,227	576,823	1,403,081
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (23,444)	132,303	(89,977)	18,882
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Commodities used	-	-	79,229	79,229
Depreciation	1,282	4,937	66,279	72,498
(Increase) decrease in accounts receivable	(12,925)	-	9,257	(3,668)
Decrease in inventories	-	-	39,526	39,526
Increase (decrease) in accounts payable	12,724	36,413	(152)	48,985
Increase in salaries and benefits payable	1,565	1,916	18,140	21,621
Increase (decrease) in deferred revenue	-	(185)	1,048	863
Net cash provided (used) by operating activities	\$ (20,798)	175,384	123,350	277,936
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:				
Current assets:				
Cash and investments	\$ 238,031	588,227	576,823	1,403,081
Cash and cash equivalents at year end	\$ 238,031	588,227	576,823	1,403,081

Non-cash investing, capital and financing activities:

During the year ended June 30, 2004, the District received federal commodities valued at \$79,229.

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
June 30, 2004

Governmental funds capital assets

Land and improvements	\$ 4,508,165
Buildings and improvements	56,078,677
Vehicles, furniture and equipment	3,530,204
Construction in progress	15,039,664
Total governmental funds capital assets	<u>\$ 79,156,710</u>

Investments in governmental funds capital assets by source

General Fund	\$ 3,815,698
Special Revenue Funds	4,219,185
Capital Projects Funds	71,121,827
Total governmental funds capital assets	<u>\$ 79,156,710</u>

See accompanying independent auditor's report.

Schedule 7

JOHNSTON COMMUNITY SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2004

Function and Activity	Land and Improvements	Buildings and Improvements	Vehicles, Furniture and Equipment	Construction in Progress	Total
Instruction	\$ 3,861,821	54,727,010	1,254,515	15,039,664	74,883,010
Other instruction	371,477	61,506	-	-	432,983
Support services - students	-	-	14,514	-	14,514
Support services - instructional staff	-	-	-	-	-
Administration	223,860	1,061,714	272,760	-	1,558,334
Operation and maintenance of plant services	51,007	228,447	94,671	-	374,125
Student transportation services	-	-	1,893,744	-	1,893,744
Total	<u>\$ 4,508,165</u>	<u>56,078,677</u>	<u>3,530,204</u>	<u>15,039,664</u>	<u>79,156,710</u>

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 Year ended June 30, 2004

Function and Activity	General Fixed Assets	Additions	Deletions	General Fixed Assets
	July 1, 2003			June 30, 2004
Instruction	\$ 60,409,206	14,473,804	-	74,883,010
Other instruction	432,983	-	-	432,983
Support services - students	14,514	-	-	14,514
Support services - instructional staff	3,614	(3,614)	-	-
Administration	1,558,334	-	-	1,558,334
Operation and maintenance of plant services	350,820	23,305	-	374,125
Student transportation services	1,866,890	118,955	92,101	1,893,744
Total	<u>\$ 64,636,361</u>	<u>14,612,450</u>	<u>92,101</u>	<u>79,156,710</u>

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN INDIVIDUAL STUDENT ACTIVITY ACCOUNTS
Year ended June 30, 2004

Account	Balance Beginning of Year	Transfers In (out)	Revenues	Expendi- tures	Balance End of Year
Administration:					
Functional Living Lab	-	-	-	57	(57)
Elementary Schools:					
Lawson Elementary:					
PTO	364	-	1,760	1,084	1,040
Students Care	6	-	-	-	6
Student Organizations	11,121	-	20,498	26,814	4,804
Library	2,007	-	141	217	1,931
Wallace Elementary:					
PTO	354	-	2,218	2,185	387
Student Organizations	26,889	-	7,122	9,899	24,113
Library	4,366	-	113	225	4,254
Teachers	343	-	-	-	343
Beaver Creek Elementary:					
PTO	-	-	-	191	(191)
Student Organizations	45,408	(11,000)	65,565	64,822	35,151
Library	284	-	569	574	279
Horizon Elementary:					
PTO	696	-	-	-	696
Library	420	-	199	88	531
Student Organizations	7,875	-	30,583	32,521	5,938
High School:					
Teen Leadership Council	171	-	786	-	957
French Club	62	-	-	-	62
Spanish Club	7,759	-	12	958	6,813
Drama Club	2,592	-	1,565	1,048	3,109
Student Council	2,601	-	10,718	8,403	4,917
National Honor Society	155	-	992	1,129	19
Circle of Friends	181	-	313	133	362
Senior Class	2,710	-	9,546	10,939	1,317
Yearbook	60,414	-	47,377	44,778	63,013
Vocal Music	-	-	14,357	13,825	532
Instrumental Music	1,650	-	12,210	11,238	2,622
Academic Competition	4,602	-	2,428	4,697	2,333
Key Club	450	-	-	-	450
Vending Machine	7,588	-	8,621	8,907	7,302
Leadership Retreat	6,007	-	16,696	17,047	5,656
SADD	170	-	-	13	157
Diversity Committee	959	-	-	-	959
Student Management	12,853	-	5,596	8,230	10,219
Tech Club	132	-	1,643	985	791
Alumni	2,548	-	-	-	2,548
Family/Consumer Science	245	-	565	299	511

JOHNSTON COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN INDIVIDUAL STUDENT ACTIVITY ACCOUNTS

Year ended June 30, 2004

Account	Balance Beginning of Year	Transfers In (out)	Revenues	Expendi- tures	Balance End of Year
<i>Continued from previous page</i>					
Industrial Tech	1,114	-	235	-	1,349
Art	1,241	-	542	1,259	524
Library	5,184	-	1,486	1,605	5,064
Memorial	1,118	-	-	-	1,118
Middle School:					
After School Enrichment	-	-	12,130	11,533	597
French Club	3,200	-	441	2,442	1,199
Student Council	2,802	-	1,432	1,224	3,011
Yearbook	20,292	-	14,251	15,988	18,555
Instrumental Music	2,260	-	5,233	6,193	1,300
Vending Machine	9,301	-	5,177	3,245	11,233
Student Management	39,903	-	86,528	95,369	31,063
Art Club	518	-	-	-	518
TSA	10,803	-	11,616	12,912	9,507
Juice Machine	987	-	-	904	83
Science Club	4,625	-	-	4,419	206
Health Club	154	-	-	-	154
Cheerleading	263	-	-	-	263
Library	7,763	-	945	-	8,708
MS Pride	69	-	1,000	603	466
Summit Middle School:					
Yearbook	-	-	7,383	-	7,383
Instrumental Music	-	-	200	-	200
Student Management	-	-	3,454	4,920	(1,466)
Athletics	54,861	-	347,611	324,065	78,406
Total	\$ 380,440	(11,000)	761,860	757,988	373,313

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST FOUR YEARS

		Modified Accrual Basis			
		2004	2003	2002	2001
Revenues:					
Local sources:					
Local tax		\$ 17,315,386	14,341,486	12,602,902	11,493,478
Tuition		2,894,604	2,639,991	2,580,725	2,300,775
Other		5,652,563	5,414,135	5,269,686	5,131,139
State sources		15,584,614	15,434,525	14,401,664	13,499,624
Federal sources		475,152	449,584	418,530	179,017
Total		<u>\$ 41,922,319</u>	<u>38,279,721</u>	<u>35,273,507</u>	<u>32,604,033</u>
Expenditures:					
Instruction:					
Regular instruction		\$ 14,923,600	13,619,433	12,451,952	11,162,506
Special instruction		5,449,798	4,021,880	4,251,401	3,703,917
Other instruction		2,082,883	2,531,466	1,960,933	1,706,057
Support services:					
Student services		1,082,857	1,177,213	1,241,772	851,107
Instructional staff services		1,309,542	2,393,225	2,694,811	2,687,627
Administration services		2,566,722	2,559,434	2,366,753	2,313,828
Operation and maintenance of plant services		3,095,173	2,548,618	2,369,529	2,330,907
Transportation services		1,460,984	1,342,785	1,185,349	1,253,447
Central support services		171,047	120,205	-	-
Non-instructional programs:					
Food services		646	-	-	-
Community services and education		2,508	-	-	-
Other expenditures:					
Facilities acquisition		15,198,700	2,199,651	4,602,807	6,867,350
Long-term debt:					
Principal		3,620,000	9,415,000	11,370,000	4,995,000
Interest and other charges		1,187,814	1,266,343	1,676,142	1,813,475
AEA flowthrough		1,176,050	1,179,686	1,104,898	1,065,880
Total		<u>\$ 53,328,324</u>	<u>44,374,939</u>	<u>47,276,347</u>	<u>40,751,101</u>

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2004

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Food Distribution (non-cash)	10.550	FY 04	<u>\$ 79,229</u>
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 04	16,502
Fruit and Vegetable Nutrition Grant	10.555	FY 04	23,140
National School Lunch Program	10.555	FY 04	<u>178,392</u>
			<u>218,034</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 04	<u>83,039</u>
Vocational Education - Basic Grants to States	84.048	FY 04	<u>8,718</u>
Safe and Drug-Free Schools and Communities- National Programs	84.184	FY 04	<u>10,475</u>
Safe and Drug-Free Schools and Communities- States Grants	84.186	FY 04	<u>52,221</u>
State Grants for Innovative Programs	84.298	FY 04	<u>49,221</u>
Educational Technology State Grants	84.319	FY 04	<u>3,743</u>
Improving Teacher Quality State Grants	84.367	FY 04	<u>43,311</u>
Heartland Area Education Agency			
Special Education - Grants to States	84.027	FY 04	<u>146,508</u>
U.S. Department of Health and Human Services:			
Partnership for a Healthy Community:			
Consolidated Knowledge Development and Application (KD&A) Program	93.230	FY 04	<u>76,235</u>
Corporation For National And Community service:			
Iowa Department of Education:			
Learn and Serve America - School and Community Based Programs	94.004	FY 04	<u>1,682</u>
Total			<u><u>\$ 772,416</u></u>

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Johnston Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

**Van Maanen
& ASSOCIATES, P.C.**

Certified Public Accountants

705 Main St.
Pella, IA 50219
641-628-3737

Independent Auditor's Report on Compliance
and on Internal Control over Financial Reporting

To the Board of Education
Johnston Community School District
Johnston, Iowa

We have audited the financial statements of the Johnston Community School District as of and for the year ended June 30, 2004, and have issued our report thereon dated September 20, 2004. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Johnston Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2004 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have all been resolved except for items IV-B-04 and IV-L-04.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Johnston Community School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Johnston Community School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. Prior year reportable conditions have all been resolved.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Johnston Community School District and other parties to whom Johnston Community School District may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Johnston Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Van Maanen & Associates, P.C.
Certified Public Accountants

September 30, 2004



Independent Auditor's Report on Compliance with Requirements Applicable
to Each Major Program and Internal Control over Compliance

To the Board of Education
Johnston Community School District
Johnston, Iowa

Compliance

We have audited the compliance of Johnston Community School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. Johnston Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Johnston Community School District's officials. Our responsibility is to express an opinion of Johnston Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Johnston Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Johnston Community School District's compliance with those requirements.

In our opinion, Johnston Community School District complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of Johnston Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Johnston Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted no matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect Johnston Community School District's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Johnston Community School District and other parties to whom Johnston Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Van Maanen & Associates, P.C.
Certified Public Accountants

September 30, 2004

JOHNSTON COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

Part I: Summary of the Independent Auditor's Results

- (a) An unqualified opinion was issued on the financial statements.
- (b) No reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No reportable conditions in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) Major programs were as follows:
 - CFDA Number 84.027 - Special Education - Grants to States
 - Clustered programs:
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (h) Johnston Community School District did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE

No matters were noted.

REPORTABLE CONDITIONS

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE

No matters were noted.

REPORTABLE CONDITIONS:

No matters were noted.

JOHNSTON COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-04 Official Depositories - Official depositories have been approved by the District. The maximum deposit amounts approved were not exceeded during the year ended June 30, 2004.
- IV-B-04 Certified Budget - Expenditures for the year ended June 30, 2004, did not exceed the amounts budgeted.
- IV-C-04 Questionable Disbursements - No disbursements were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-D-04 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-E-04 Business Transactions - No business transactions were noted between the District and District officials or employees.
- IV-F-04 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-G-04 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-H-04 Certified Enrollment - No variances were noted in the basic enrollment data certified to the Department of Education.
- IV-I-04 Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-J-04 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.
- IV-K-04 Sale of Property - During the year ended June 30, 2004, the District made sales of property in accordance with Chapter 297.22 of the Code of Iowa.
- IV-L-04 Financial Condition - The General Fund had a deficit balance at June 30, 2004 of \$407,734. The Management Fund had a deficit balance at June 30, 2004 of \$50,160.

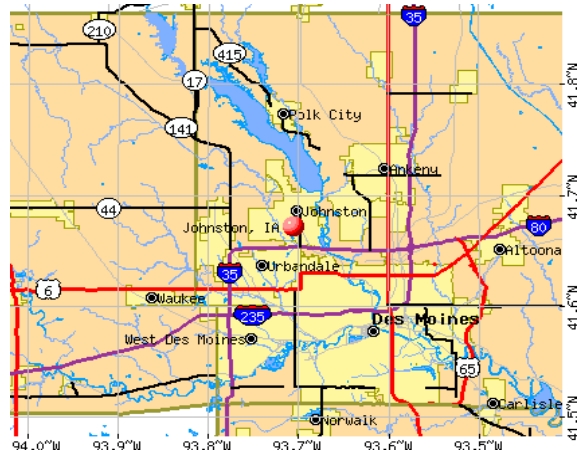
Recommendation - The District should investigate alternatives to eliminate these deficits in order to return these accounts to a sound financial position.

_____ Response - Additional cash reserve taxes have been levied for year ending June 30, 2005. It is projected that both general and management funds will have positive fund balances on June 30, 2005.

_____ Conclusion - Response accepted.

GENERAL INFORMATION

The Johnston Community School District is located in central Iowa within the Des Moines Metropolitan area. Included within the District's 25,344 acres are the Cities of Johnston and portions of Des Moines, Urbandale and Grimes. Transportation facilities are provided by U.S. Interstates 35 & 80, Iowa Highway 401, as well as numerous paved county roads. Commercial airline service is available at the Des Moines International Airport. Commercial development within the District has been greatly enhanced by the continued growth of the northwestern portion of the metropolitan area. Residential growth and recreational opportunities within the District have been enhanced by the construction of Saylorville Lake, a U.S. Corps of Engineers flood control dam impounding the Des Moines River.



The three major employers within the District are Pioneer Hi-Bred International, Inc., Iowa National Guard-Camp Dodge, and John Deere Credit. Pioneer Hi-Bred International, Inc. is an internationally known producer of hi-bred seed. Employing over 1,000 persons within the District, Pioneer's facilities within Johnston (approximately 500,000 square feet office and laboratory space) include the Central Division Offices, Plant Breeding Division, Pioneer Data Systems Division, and Green Meadows Limited. Iowa National Guard-Camp Dodge is a military division of public defense and employs over 500 persons.

Continuing education centers within commuting distance include: Drake University, Des Moines; Grand View College, Des Moines; University of Osteopathic Medicine, Des Moines; Iowa State University of Science and Technology, Ames; Simpson College, Indianola; and Area XI Des Moines Area Community College, Ankeny.

Major Taxpayers:

Presented below is a list of the major taxpayers within the Johnston Community School District and their 2002 assessed valuation:

<u>Name</u>	<u>2002</u>	<u>% of Total</u>
Pioneer Hi-Bred International, Inc.	\$ 56,748,760	5.03%
Deutsch Bank	24,166,000	2.14%
Village Court Association (apartment complex)	16,965,970	1.50%
New Plan Realty Trust	15,045,840	1.33%
Green Meadows Limited*	12,086,070	1.07%
Interstate Business Park	11,451,030	1.01%
Target Corp.	11,369,000	1.01%
Mid-American Investments	10,908,000	0.97%
Family Car Johnston	10,129,370	0.90%
Westchester Village	9,293,000	0.82%
Total Assessed Valuation	\$ 1,128,690,944	15.78%

Population:

Official census figures for the incorporated City of Johnston since its incorporation in 1969:

Year	Population
2003*	10,842
2002*	9,989
2001*	9,281
2000	8,649
1995	6,113
1990	4,702
1980	2,617
1970	2,236

Source: U.S. census, estimates since 2000

Population by Age:

2000 census figures according to age group for the cities of Johnston, Urbandale and Des Moines:

	Johnston	Urbandale	Des Moines
Under 19 years	31.5%	28.5%	27.8%
20 to 24 years	3.4%	4.8%	7.6%
25 to 44 years	31.6%	31.3%	31.8%
45 to 64 years	22.6%	24.6%	20.4%
65 to 84 years	8.7%	9.6%	10.5%
85 and over	2.2%	1.7%	1.8%
Median Age	36.3	37.0	33.8

Source: U.S. Census

Retail Sales (in millions):

Year ended 3/31	Johnston	Des Moines	Polk County	State of Iowa
2004	\$110.7	\$3,492.3	\$6,035.2	\$29,099.3
2003	98.2	3,713.2	6,190.4	28,704.9
2002	87.4	3,789.7	6,052.8	28,446.6
2001	77.7	3,994.6	6,111.4	28,481.7
2000	77.2	4,108.0	6,061.1	27,586.1
1999	57.7	4,054.9	5,848.5	26,770.7
1998	48.2	3,944.1	5,527.4	
1997	44.2	3,935.5	5,396.5	
1996	45.4	3,844.2	5,167.4	
1995	43.0	3,683.0	4,910.4	

Source: Iowa Department of Revenue & Finance

Bank Deposits:

Institution	June 30, 2004 Deposits
Wells Fargo Bank	\$ 36,486,000
First Bank	2,849,000
Polk County Bank	60,565,000
Community State Bank	18,928,000
Commercial Federal Bank	20,279,000
Charter Bank	45,904,000
	<u>\$ 185,011,000</u>

Source: Annual Reports

Residential Construction by Number of Dwelling Units:

Year	Single Family	Townhome	Multi-family	(# Multi- family living units)	Totals
2003	253	90	24	204	571
2002	226	30	19	152	427
2001	206	98	4	32	340
2000	130	78	0	0	208
1999	252	93	0	0	345
1998	186	77	0	0	263
1997	174	2	0	0	176
1996	167	17	0	0	184
1995	141	0	0	0	141
1994	96	6	6	144	252
1993	65	13	0	0	78
1992	60	5	0	0	65
1991	46	9	0	0	55
1990	24	2	1	60	87
Total	2,026	520	54	592	3,192

Source: City of Johnston Planning Department

TAXABLE ASSESSED VALUATION* BY PROPERTY TYPE
Last Ten Fiscal Years

Collection Year	Residential	Ag Land	Ag Buildings	Commercial	Industrial
2003-04	\$ 609,420,161	\$ 6,481,470	\$ 505,190	\$ 342,771,383	\$ 2,314,150
2002-03	563,424,609	6,878,360	516,830	265,532,081	2,100,870
2001-02	518,631,796	7,693,210	444,460	235,087,410	1,987,060
2000-01	461,112,001	7,725,820	460,050	226,654,770	1,558,730
1999-00	415,776,925	7,068,500	388,600	216,179,999	1,355,170
1998-99	371,165,842	7,114,730	375,830	205,233,194	1,335,290
1997-98	340,490,258	6,443,900	326,580	194,879,430	1,280,720
1996-97	313,888,891	6,658,810	324,920	166,754,095	1,636,010
1995-96	289,951,208	6,928,730	271,340	149,780,628	986,240
1994-95	267,454,260	7,129,240	277,070	151,883,120	1,056,340

Collection Year	Residential	Ag Land	Ag Buildings	Commercial	Industrial
2003-04	60.2%	0.6%	0.0%	33.9%	0.2%
2002-03	63.5%	0.8%	0.1%	29.9%	0.2%
2001-02	63.6%	0.9%	0.1%	28.8%	0.2%
2000-01	61.5%	1.0%	0.1%	30.2%	0.2%
1999-00	59.7%	1.0%	0.1%	31.0%	0.2%
1998-99	57.3%	1.1%	0.1%	31.7%	0.2%
1997-98	56.5%	1.1%	0.1%	32.3%	0.2%
1996-97	57.7%	1.2%	0.1%	30.7%	0.3%
1995-96	56.9%	1.4%	0.1%	29.4%	0.2%
1994-95	55.7%	1.5%	0.1%	31.6%	0.2%

* Does not include TIF Valuation

Source: Polk County Auditor

Personal	Utilities	Total
\$ -	\$ 51,068,590	\$ 1,012,560,944
745,273	48,615,982	887,814,005
1,671,646	49,739,362	815,254,944
2,160,822	50,022,949	749,695,142
3,691,768	52,260,843	696,721,805
7,102,895	55,309,042	647,636,823
8,533,764	50,980,638	602,935,290
10,420,892	44,175,323	543,858,941
12,244,633	49,369,265	509,532,044
11,955,633	40,843,754	480,599,417

Personal	Utilities	Total
0.0%	5.0%	100.0%
0.1%	5.5%	100.0%
0.2%	6.1%	100.0%
0.3%	6.7%	100.0%
0.5%	7.5%	100.0%
1.1%	8.5%	100.0%
1.4%	8.5%	100.0%
1.9%	8.1%	100.0%
2.4%	9.7%	100.0%
2.5%	8.5%	100.0%

PROPERTY TAX RATES
Last Ten Fiscal Years

Fiscal Year	General	Management	Regular PPEL	Voted PPEL	Debt Service	Total
2003-04	\$12.54170	\$0.74070	\$0.33000	\$1.34000	\$1.78533	\$16.73773
2002-03	11.89065	0.39423	0.33000	0.67000	2.36958	15.65446
2001-02	10.99253	0.33732	0.33000	0.67000	2.76844	15.09829
2000-01	10.53107	0.22009	0.33000	0.67000	3.08515	14.83631
1999-00	10.37903	0.17941	0.33000	0.67000	3.43546	14.99390
1998-99	9.75973	0.18529	0.33000	0.67000	3.72547	14.67049
1997-98	9.56906	0.19903	0.33000	0.67000	4.05000	14.81809
1996-97	10.15882	0.22065	0.33000	0.67500	4.12094	15.50541
1995-96	12.14715	0.23551	0.33000	0.67500	3.42488	16.81254
1994-95	12.17499	0.24969	0.33000	0.67500	3.65371	17.08339

Source: District records

PROPERTY TAX COLLECTION HISTORY
Last Ten Fiscal Years

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2003-04	\$ 17,341,078	\$ 17,315,386	99.85%
2002-03	14,389,451	14,312,952	99.47%
2001-02	12,651,417	12,576,873	99.41%
2000-01	11,379,847	10,982,032	96.50%
1999-00	10,640,485	10,234,903	96.19%
1998-99	9,466,591	9,315,620	98.41%
1997-98	8,992,250	9,032,527	100.45%
1996-97	8,474,621	8,502,807	100.33%
1995-96	8,578,278	8,519,232	99.31%
1994-95	8,211,689	8,159,067	99.36%
Average Percentage Collected			98.93%

Source: Certified Annual Report

PROPERTY TAX LIABILITY
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Rollback	Taxable Value	Rate	Tax Liability	Change (Dollars)	Change (Percent)
2003-04	\$ 200,000	51.39%	\$ 102,775	\$ 16.73772	\$ 1,720	\$ 102	6.3%
2002-03	200,000	51.67%	103,335	15.65446	1,618	(81)	-4.8%
2001-02	200,000	56.27%	112,530	15.09829	1,699	71	4.4%
2000-01	200,000	54.85%	109,705	14.83631	1,628	(66)	-3.9%
1999-00	200,000	56.48%	112,958	14.99390	1,694	83	5.2%
1998-99	200,000	54.91%	109,818	14.67049	1,611	(270)	-14.4%
1997-98	200,000	58.83%	117,657	15.98777	1,881	42	2.3%
1996-97	200,000	59.32%	118,636	15.50541	1,839	(431)	-19.0%
1995-96	200,000	67.51%	135,015	16.81254	2,270	(55)	-2.4%
1994-95	200,000	68.04%	136,081	17.08339	2,325		

Source: District records, Assessor Data

**PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**

Levy Year	Collection Year	Polk County	State	Area XI Community College	City	Special	Johnston Community School District	Total	Ratio of Johnston CSD to Total
<u>City of Des Moines</u>									
2002	2003-04	\$ 9.40708	\$ 0.00400	\$ 0.58184	\$ 17.04806	\$ 0.35518	\$ 16.72967	\$ 44.12583	0.37914
2001	2002-03	9.34184	0.00400	0.54584	17.04857	0.38033	15.65446	42.97504	0.36427
2000	2001-02	9.63888	0.00500	0.54454	17.04857	0.35432	15.09829	42.68960	0.35368
1999	2000-01	9.25371	0.00500	0.54506	16.57304	0.39163	14.83631	41.60475	0.35660
1998	1999-00	9.27874	0.00500	0.52451	16.81579	0.42847	14.99390	42.04641	0.35660
1997	1998-99	9.28690	0.00500	0.50551	16.93966	0.45088	14.67049	41.85844	0.35048
1996	1997-98	9.18010	0.00500	0.47230	16.24935	0.48012	14.81809	41.20496	0.35962
1995	1996-97	9.47532	0.00500	0.50661	16.18284	0.51456	15.50541	42.18974	0.36752
1994	1995-96	9.90986	0.00500	0.48988	16.10600	0.57762	16.81254	43.90090	0.38297
1993	1994-95	10.50212	0.00500	0.48398	16.19909	0.59482	17.08339	44.86840	0.38074
<u>City of Grimes</u>									
2002	2003-04	9.40708	0.00400	0.58184	12.82394	0.35518	16.72967	39.90171	0.41927
2001	2002-03	9.34184	0.00400	0.54584	12.76837	0.38033	15.65446	38.69484	0.40456
2000	2001-02	9.63888	0.00500	0.54454	11.72852	-	15.09829	37.01523	0.40789
1999	2000-01	9.25371	0.00500	0.54506	11.61255	-	14.83631	36.25263	0.40925
1998	1999-00	9.27874	0.00500	0.52451	11.61165	-	14.99390	36.41380	0.41176
1997	1998-99	9.28690	0.00500	0.50551	12.27467	-	14.67049	36.74257	0.39928
1996	1997-98	9.11536	0.00500	0.47230	11.02283	-	14.81809	35.43358	0.41819
1995	1996-97	9.22055	0.00500	0.50661	12.01311	-	15.50541	37.25068	0.41625
1994	1995-96	9.67195	0.00500	0.48988	10.62467	-	16.81254	37.60404	0.44709
1993	1994-95	10.23648	0.00500	0.48398	9.73045	-	17.08339	37.53930	0.45508
<u>City of Johnston</u>									
2002	2003-04	9.40708	0.00400	0.58184	10.88788	0.35518	16.72967	37.96565	0.44065
2001	2002-03	9.34184	0.00400	0.54584	10.89082	0.38033	15.65446	36.81729	0.42519
2000	2001-02	9.63888	0.00500	0.54454	11.19234	-	15.09829	36.47905	0.41389
1999	2000-01	9.25371	0.00500	0.54506	9.93838	-	14.83631	34.57846	0.42906
1998	1999-00	9.27874	0.00500	0.52451	9.47808	-	14.99390	34.28023	0.43739
1997	1998-99	9.28690	0.00500	0.50551	9.85999	-	14.67049	34.32789	0.42736
1996	1997-98	9.11536	0.00500	0.47230	9.64987	-	14.81809	34.06062	0.43505
1995	1996-97	9.22055	0.00500	0.50661	9.99008	-	15.50541	35.22765	0.44015
1994	1995-96	9.67195	0.00500	0.48988	9.82745	-	16.81254	36.80682	0.45678
1993	1994-95	10.23648	0.00500	0.48398	9.67748	-	17.08339	37.48633	0.45572
<u>City of Urbandale</u>									
2002	2003-04	9.40708	0.00400	0.58184	9.07000	0.35518	16.72967	36.14777	0.46281
2001	2002-03	9.34184	0.00400	0.54584	8.97000	0.38033	15.65446	34.89647	0.44860
2000	2001-02	9.63888	0.00500	0.54454	11.19234	-	15.09829	36.47905	0.41389
1999	2000-01	9.25371	0.00500	0.54506	8.97000	0.39163	14.83631	34.00171	0.43634
1998	1999-00	9.27874	0.00500	0.52451	8.83994	0.42847	14.99390	34.07056	0.44008
1997	1998-99	9.28690	0.00500	0.50551	8.49000	0.45088	14.67049	33.40878	0.43912
1996	1997-98	9.11536	0.00500	0.47230	8.51857	0.48012	14.81809	33.40944	0.44353
1995	1996-97	9.22055	0.00500	0.50661	8.52000	0.51456	15.50541	34.27213	0.45242
1994	1995-96	9.67195	0.00500	0.48988	8.52000	0.57762	16.81254	36.07699	0.46602
1993	1994-95	10.23648	0.00500	0.48398	8.41309	0.59482	17.08339	36.81676	0.46401

Source: Polk County Auditor

Debt Limit

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The district's debt limit, based upon said valuation, amounts to the following:

Actual value of property, 2002:	\$1,709,937,084 *
	0.05
Debt Limit:	<u>\$ 85,496,854</u>

Total Direct Debt = \$ 25,535,000 or 29.9% of debt limit.

* Includes TIF valuation of \$116,130,366

Overlapping and Underlying Debt

Issuer	Outstanding Debt	Valuation w/in District	Total Valuation	Percent Applicable	Amount Applicable
Polk County	\$ 78,610,000	\$ 1,079,256,630	\$ 14,016,319,866	7.70%	\$ 6,052,970
DMACC	44,940,000	1,034,636,302	24,634,197,657	4.20%	1,887,480
City of Johnston	31,345,000	631,116,844	631,116,844	100.00%	31,345,000
City of Des Moines	375,000,000	114,566,908	5,404,099,439	2.12%	7,950,000
City of Urbandale	22,700,000	222,881,787	1,497,861,475	14.88%	3,377,760
City of Grimes	7,315,000	30,866,519	181,674,628	16.99%	1,242,818
Urbandale San Sewer Dist	8,140,000	235,625,525	1,413,470,456	16.67%	1,356,938
Heartland AEA 11	-	1,034,636,302	24,634,197,657	4.20%	-
TOTAL OVERLAPPING & UNDERLYING DEBT:					<u>\$ 53,212,966</u>

Source: Polk County Auditor, Government Offices

COMPARATIVE RATIO OF BONDED DEBT TO ASSESSED VALUES
Last Ten Fiscal Years

Fiscal Year	Pupulation	100% Assessed Valuation *	Legal Debt Limit (5%)	Indebtedness **	Debt to Assessed Value	Debt per Capita
2003-04	10,842	\$1,709,937,084	\$ 85,496,854	\$ 25,535,000	1.49%	\$ 2,355
2002-03	10,842	1,426,451,515	71,322,576	23,030,000	1.61%	2,124
2001-02	9,989	1,222,199,774	61,109,989	26,225,000	2.15%	2,625
2000-01	9,281	1,136,728,451	56,836,423	31,965,000	2.81%	3,444
1999-00	8,649	1,020,210,435	51,010,522	33,195,000	3.25%	3,838
1998-99	4,702	983,762,223	49,188,111	24,345,000	2.47%	5,178
1997-98	4,702	858,037,064	42,901,853	26,430,000	3.08%	5,621
1996-97	4,702	776,635,918	38,831,796	23,410,000	3.01%	4,979
1995-96	4,702	655,366,392	32,768,320	16,200,000	2.47%	3,445
1994-95	4,702	607,281,217	30,364,061	17,135,000	2.82%	3,644

* Includes TIF Valuation

** Total Indebtedness indicates amount of debt at the end of the fiscal year.

Source: Polk County Auditor; District Data; Office of Social and Economic Trend Analysis, Iowa State University

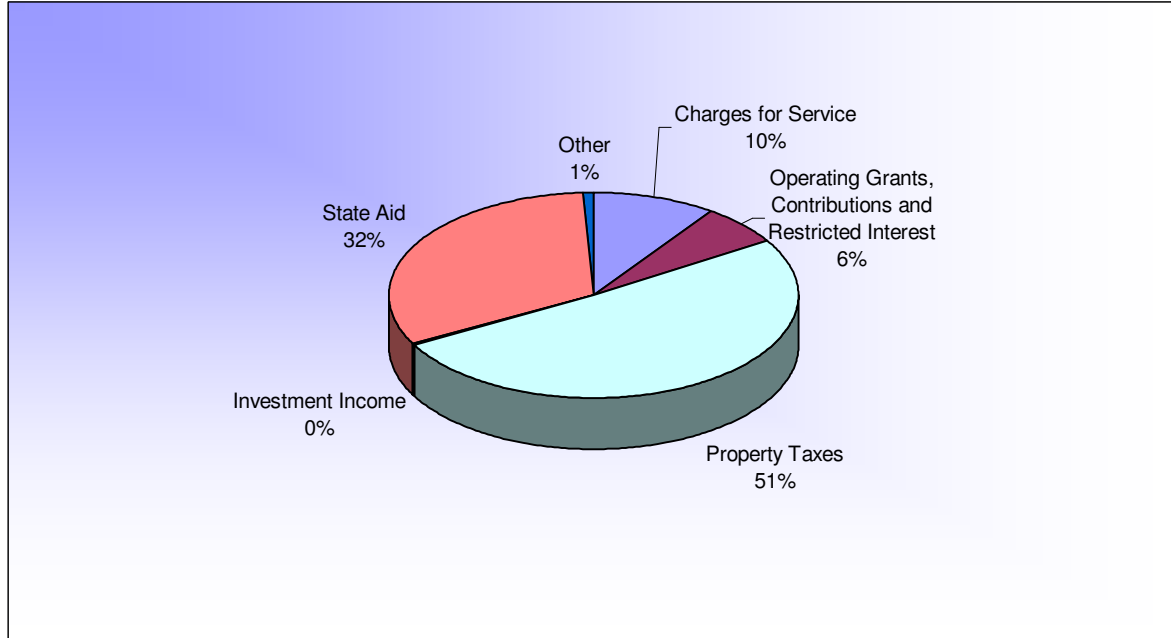
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES
Last Ten Fiscal Years**

Fiscal Year	Principal	Interest	Services	Total Debt Service	Total Expenditures	Ratio of Debt Service to Total Expenditures
2003-04	\$ 3,620,000	\$ 1,184,564	\$ 3,250	\$ 4,807,814	\$ 31,379,456	15.32%
2002-03	3,115,000	1,264,218	1,425	4,380,643	29,870,388	14.67%
2001-02	1,370,000	1,137,068	1,575	2,508,643	28,487,789	8.81%
2000-01	4,995,000	1,790,672	1,350	6,787,022	26,202,424	25.90%
1999-00	1,150,000	1,345,940	1,500	2,497,440	22,799,669	10.95%
1998-99	1,080,000	1,410,318	2,325	2,492,643	20,858,051	11.95%
1997-98	1,005,000	1,507,091	1,388	2,513,479	18,806,629	13.36%
1996-97	1,030,000	1,438,840	1,850	2,470,690	16,881,793	14.64%
1995-96	990,000	951,266	-	1,941,266	14,928,043	13.00%
1994-95	935,000	1,007,599	-	1,942,599	13,073,907	14.86%

Source: District Data

GOVERNMENT-WIDE REVENUES BY SOURCE
Year Ended June 30, 2004*

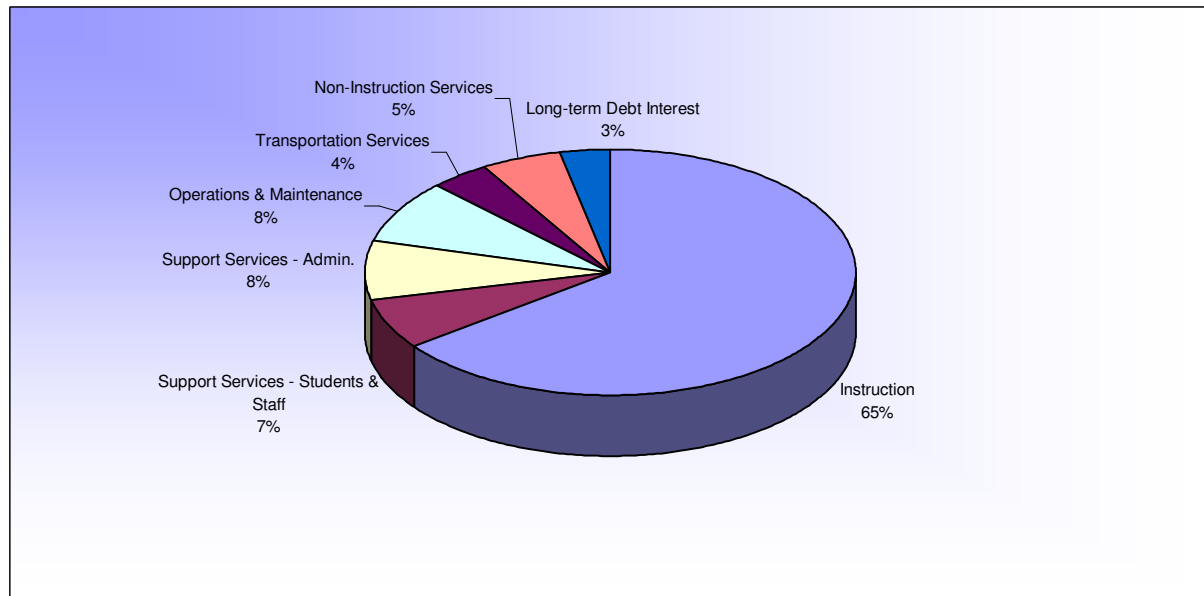
PROGRAM REVENUES			GENERAL REVENUES				
Fiscal Year	Charges for Service	Operating Grants, Contributions and Restricted Interest	Property Taxes	Investment Income	State Aid	Other	TOTAL
2003-04	\$ 4,068,329	\$ 2,694,797	\$ 21,314,918	\$ 126,896	\$ 13,358,918	\$ 367,015	\$ 41,930,873
2002-03	3,918,932	2,953,549	18,180,329	51,709	13,105,626	284,271	38,494,416



*Note: Fiscal year ending June 30, 2003 was the first year this reporting was required, thus no 10-year data is presented.
 Governmental activities only, does not include business activities.

GOVERNMENT-WIDE EXPENSES BY FUNCTION
Year Ended June 30, 2004*

Fiscal Year	Instruction	Support Services - Students & Staff	Support Services - Admin.	Operations & Maintenance	Transportation Services	Non-Instruction Services	Long-term Debt Interest	Totals
2003-04	\$ 23,852,166	\$ 2,424,261	\$ 2,869,991	\$ 3,083,216	\$ 1,480,230	\$ 1,937,560	\$ 1,212,624	\$ 36,860,048
2002-03	21,456,624	3,597,988	2,723,030	2,548,817	1,368,743	2,007,094	1,241,410	34,943,706



*Note: Fiscal year ending June 30, 2003 was the first year this was reporting required, thus no 10-year data is presented.
 Governmental activities only, does not include business activities.

GENERAL FUND DISTRICT REVENUES BY SOURCE
Last Ten Fiscal Years

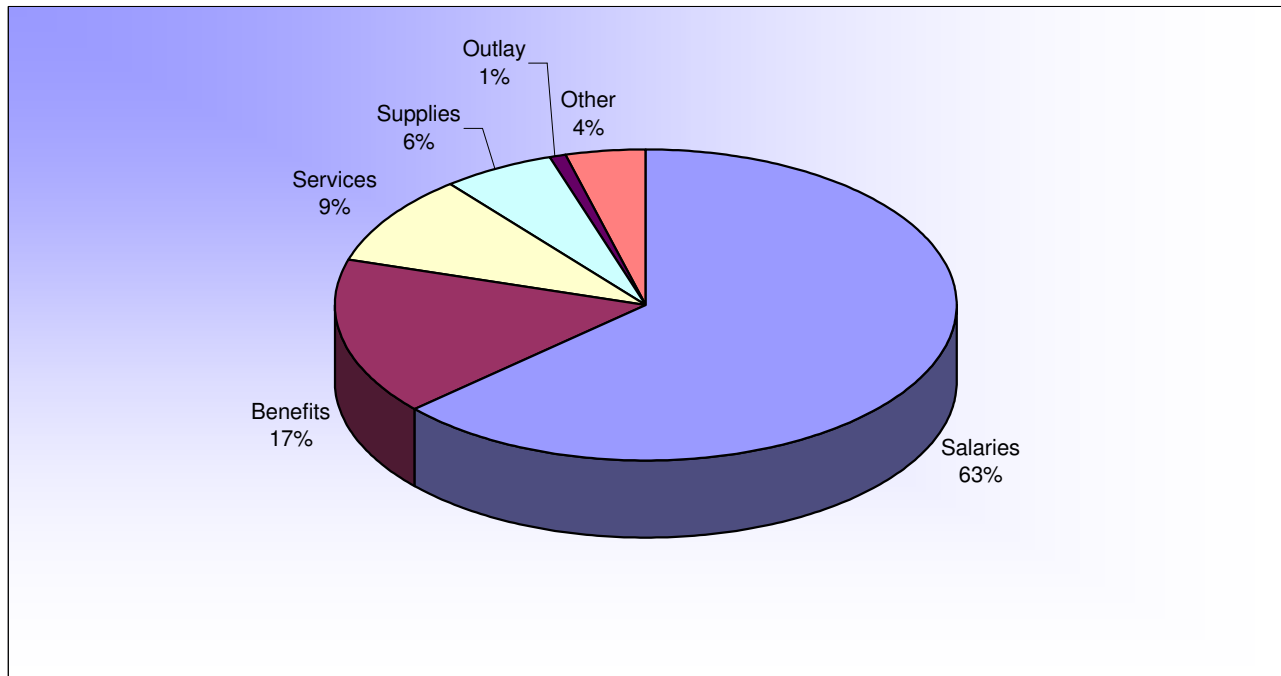
Year Ended	Appropriations					
June 30,	Local Tax	State Aid	Federal	Miscellaneous	Total	
2004	\$ 12,666,832	\$ 15,583,090	\$ 472,152	\$ 3,680,177	\$ 32,402,251	
2003	10,498,565	15,433,183	449,584	3,396,212	29,777,544	
2002	8,664,705	14,661,339	418,530	3,086,648	26,831,222	
2001	7,629,434	11,301,083	179,017	5,322,000	24,431,534	
2000	7,026,163	10,560,509	176,024	5,476,943	23,239,639	
1999	6,145,864	9,146,986	130,174	4,391,876	19,814,900	
1998	5,797,171	8,040,880	114,296	4,327,169	18,279,516	
1997	5,552,742	7,487,974	190,473	3,846,182	17,077,371	
1996	6,153,963	6,285,513	114,429	3,309,186	15,863,091	
1995	5,814,586	6,189,537	108,580	2,404,819	14,517,522	

Source: Certified Annual Report

GENERAL FUND DISTRICT EXPENDITURES BY OBJECT
Last Ten Fiscal Years

Fiscal Year	Salaries	Benefits	Purchased Services	Supplies	Capital Outlay	Other	Total
2003-04	\$ 19,876,524	\$ 5,178,986	\$ 2,907,360	\$ 1,804,564	\$ 339,970	\$ 1,272,052	\$ 31,379,456
2002-03	19,031,924	4,736,267	2,849,270	1,505,519	281,775	1,465,633	29,870,388
2001-02	18,192,221	4,442,448	2,616,827	1,437,681	516,164	1,282,447	28,487,788
2000-01	15,828,336	3,682,418	2,877,306	1,810,048	792,547	1,211,769	26,202,424
1999-00	14,470,742	3,259,196	1,890,309	1,396,124	675,487	1,107,811	22,799,669
1998-99	12,931,080	2,776,927	2,002,082	1,464,038	690,468	993,456	20,858,051
1997-98	11,560,841	2,434,008	1,572,076	1,347,301	872,705	1,019,698	18,806,629
1996-97	10,644,606	2,244,076	1,482,778	1,242,246	538,649	729,438	16,881,793
1995-96	9,448,376	1,952,668	1,274,163	1,085,250	416,872	750,714	14,928,043
1994-95	8,296,899	1,744,881	1,510,771	555,011	360,152	606,193	13,073,907

Source: Certified Annual Report



OPERATING COST PER PUPIL
Last Ten Fiscal Years

Fiscal Year	Total Costs	Daily Average Membership	General Fund Operating Expenses Per Pupil
2003-04	\$31,379,456	4,534	\$6,921
2002-03	29,870,388	4,386	6,810
2001-02	28,487,789	4,154	6,858
2000-01	26,202,424	3,983	6,579
1999-00	22,799,669	3,855	5,914
1998-99	20,858,051	3,736	5,583
1997-98	18,806,629	3,508	5,361
1996-97	16,881,793	3,225	5,235
1995-96	14,928,043	3,126	4,775
1994-95	13,073,907	2,918	4,480

Source: Certified Annual Report

GENERAL FUND DISTRICT EXPENDITURES BY FUNCTION *
Last Ten Fiscal Years

Year Ended June 30,	2004	2003	2002	2001	2000
Expenditures:					
Instruction:					
Regular instruction	\$ 14,580,899	13,166,722	12,268,545	11,005,660	9,283,958
Special educ. instruction	4,626,240	4,021,880	3,914,006	3,404,752	3,153,771
Other special instruction	823,558	442,949	318,064	299,165	265,126
Vocational instruction	492,330	467,906	403,156	342,309	394,976
Co-curricular instruction	687,537	648,056	604,229	551,965	528,030
Non-public instruction	-	-	-	-	-
Adult/Continuing education instruction	143,730	134,489	130,570	154,879	152,736
Subtotal	21,354,294	18,882,002	17,638,570	15,758,730	13,778,597
Support Services:					
Student support services	1,066,567	1,165,226	1,224,067	844,924	756,610
Instructional staff support	1,294,770	2,375,145	2,674,730	2,672,170	2,302,172
General administration	439,062	384,693	345,269	362,617	196,656
Building administration	1,488,082	1,351,246	1,253,776	1,209,110	1,083,444
Business administration	555,605	803,896	741,132	723,355	600,134
Plant operation/maintenance	2,532,850	2,533,915	2,329,151	2,318,374	1,973,073
Student transportation	1,300,483	1,194,579	1,176,195	1,247,264	1,127,883
Other support services	171,693	-	-	-	-
Subtotal	8,849,112	9,808,700	9,744,320	9,377,814	8,039,972
Other intergovernmental expenditures	1,176,050	1,179,686	1,104,898	1,065,880	981,100
Grand Totals	\$ 31,379,456	29,870,388	28,487,788	26,202,424	22,799,669

* Expenditures by function are on a modified accrual basis.

Source: Certified Annual Report

1999	1998	1997	1996	1995
8,433,120	7,879,260	7,232,837	6,274,918	6,391,575
2,839,877	2,334,275	2,071,544	1,787,486	1,487,744
158,752	144,607	129,857	111,153	196,227
390,488	197,216	277,034	251,625	232,274
494,637	431,615	395,702	399,836	360,563
-	-	-	-	49,331
149,978	314,108	288,882	238,851	82,820
12,466,852	11,301,081	10,395,856	9,063,869	8,800,534
716,456	624,595	580,923	542,888	393,475
2,119,304	2,026,964	1,711,069	1,264,539	468,128
178,570	170,591	162,353	151,998	180,185
921,625	682,998	642,721	576,746	541,517
768,324	511,878	365,311	515,693	272,451
1,781,251	1,595,038	1,432,599	1,367,744	1,163,246
1,034,401	969,955	861,523	780,756	648,178
-	131,032	-	-	-
7,519,931	6,713,051	5,756,499	5,200,364	3,667,180
871,541	792,497	729,438	663,810	606,193
20,858,324	18,806,629	16,881,793	14,928,043	13,073,907

**COMPARISONS OF GROWTH IN REVENUE, EXPENDITURES, ENROLLMENT,
ASSESSED VALUATION AND TAX RATES - GENERAL FUND BY YEAR
Last Ten Fiscal Years**

Fiscal Year	Revenue	Growth	Expenditures	Growth	Enrollment	Growth	Assessed Value	Growth	Tax Rate	Growth
2003-04	\$ 32,405,251	8.8%	\$ 31,379,456	5.1%	4613.2	5.2%	\$ 1,012,560,944	14.1%	\$ 12.53364	5.4%
2002-03	29,777,544	11.0%	29,870,388	4.9%	4386.1	4.6%	887,814,005	8.9%	11.89065	8.2%
2001-02	26,831,282	10.7%	28,487,789	8.7%	4192.1	5.2%	815,294,544	8.8%	10.99253	4.4%
2000-01	24,239,639	4.3%	26,202,424	14.9%	3984.7	4.6%	749,695,145	7.6%	10.53107	1.5%
1999-00	23,239,639	17.3%	22,799,669	9.3%	3810.6	4.2%	696,721,805	7.6%	10.37907	4.4%
1998-99	19,814,900	8.4%	20,858,051	10.9%	3657.7	8.5%	647,636,823	7.4%	9.94502	1.8%
1997-98	18,279,516	7.0%	18,806,629	11.4%	3369.8	5.5%	602,935,290	11.0%	9.76809	-5.9%
1996-97	17,077,371	7.7%	16,881,793	13.1%	3195.6	4.3%	543,385,941	6.6%	10.37947	-16.2%
1995-96	15,863,091	9.3%	14,928,043	14.2%	3062.5	5.7%	509,532,044	6.0%	12.38266	-0.3%
1994-95	14,517,522	9.8%	13,073,907	9.2%	2897.0	5.4%	480,599,417	7.6%	12.42468	5.9%
1993-94	13,223,700	25.6%	11,974,861	17.9%	2748.3	9.0%	446,557,750	7.3%	11.73583	3.9%
1992-93	10,526,891	16.1%	10,156,729	8.5%	2520.3	8.5%	415,984,702	6.4%	11.29837	10.1%

Source: Polk County Auditor

GENERAL ANALYSIS OF FACILITIES AND ENROLLMENT
June 30, 2004

	Date Constructed/ Purchased	Grades Served	Enrollment* at September, 2003
Elementary Schools:			
Lawson	1958,1960,1967,1998	K-5	445
Wallace	1987,1989	PK-5	496
Beaver Creek	1997	K-5	688
Horizon	2001	K-5	556
Johnston Middle School	1984,1990	6-8	1139
Johnston High School	1972,1977,1994	9-12	1254
At Risk Consortium		K-12	12
Alternative School	1998	9-12	12
Y-Home		7-12	46
Total Students Served			<u>4648</u>
Open enrollment/tuition out		K-12	305.6
Open enrollment/tuition in		K-12	377.0
Other facilities - non-student occupancy			
Transportation/Maintenance Facility	1995	Transportation/Building & Grounds	
Instructional Resource Building (Wallace West)	1983	Instructional Programs	
Administration Building	2000	Central Administration	
Warehouse	2000	Central Warehouse	

*All students served, including tuition students.

DISTRICT STAFFING LEVELS - GENERAL FUND (FTE)
Last Ten Fiscal Years

		For Fiscal Year ended June 30,									
		2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Administration:											
Superintendent		1	1	1	1	1	1	1	1	1	1
Assoc. Supt.		1	1	1	1	-	-	-	-	-	-
Principals		6	6	6	5	5	5	4	4	4	4
Assist. Principals		4	4	4	4	3	2	2	3	3	3
Other Admin.		2	2	2	2	3	1	5	3	3	4
Total Administration		14	14	14	13	12	9	12	11	11	11
Supervisors/ Coordinators/Managers											
		6	6	6	4	-	4	4	4	2	-
Instruction:											
Teachers		287	287	287	280	258	236	209	200	184	170
Counselors		7	7	7	7	9	7	7	8	8	8
Media Spec.		6	6	6	5	5	7	6	6	6	5
Other Instructors		4	4	4	9	9	-	-	-	-	-
Total Instruction		304	304	304	301	280	250	222	214	198	183
Professional/Other											
Nurses		6	6	6	5	5	5	4	4	3	2
Other Professional Staff		6	6	6	9	7	6	1	3	3	3
Total Professional/Other		12	12	12	14	12	11	5	7	6	5
Instructional Support Personnel:		125	125	123							
Support Personnel:											
Office/Clerical		25	25	25	22	20	19	18	17	17	15
Transportation		48	48	45							
Op. & Maintenance		31	31	31							
Service Personnel		-	-	-	185	191	168	137	142	115	117
Total Support Personnel		104	104	101	207	211	187	155	159	132	132
Grand Totals		565	565	560	539	514	461	398	395	348	330
Enrollment		4,615	4,372	4,192	3,985	3,812	3,658	3,370	3,196	3,063	2,897
Employees/Student		8.2	7.7	7.5	7.4	7.4	7.9	8.5	8.1	8.8	8.8

Source: District Data

Enrollment

Total enrollment in the District in September of the past 10 school years has been as follows:

Year	K-4	K-5	5-8	6-8	9-12	Total
2003-04		2,185		1,139	1,352	4,676
2002-03		2,098		1,046	1,228	4,372
2001-02	-	1,986	-	991	1,215	4,192
2000-01	-	1,912	-	895	1,178	3,985
1999-00	-	1,865	-	842	1,105	3,812
1998-99	-	1,769	-	826	1,063	3,658
1997-98	1,368	-	1,067	-	935	3,370
1996-97	1,296	-	1,001	-	899	3,196
1995-96	1,237	-	995	-	831	3,063
1994-95	1,194	-	926	-	777	2,897

Source: District Records

Open Enrollment

The District has and may have in the future certain students enrolling into or enrolling out of the District. Presented below are open enrollment results for the periods outlined:

Year	Enrolled In	Enrolled Out
2003-04	283.0	278.6
2002-03	281.0	284.0
2001-02	254.4	252.9
2000-01	274.3	216.0
1999-00	284.0	187.8
1998-99	245.5	185.1
1997-98	258.1	192.8
1996-97	234.1	162.4
1995-96	193.0	149.0
1994-95	164.0	137.0
1993-94	140.0	15.0

Source: District Records

ANALYSIS OF CERTIFIED ENROLLMENT BY GRADE
Last Ten Fiscal Years

	as of September,									
	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Pre-Kindergarten	9.0	11.0	10.0	10.0	13.0	9.0	5.0	6.0	14.0	11.0
Kindergarten	353.0	360.0	332.0	290.7	304.6	300.5	285.2	236.6	257.0	246.0
1	389.0	335.0	301.4	314.7	317.2	309.2	264.6	260.6	243.0	241.0
2	347.0	314.0	328.0	332.3	322.6	283.2	280.6	244.2	238.0	218.0
3	325.0	341.0	343.0	331.8	275.6	293.0	270.2	230.6	227.0	207.0
4	335.0	364.0	350.1	292.7	322.8	303.6	262.6	231.2	209.1	247.0
5	395.0	373.0	313.7	326.7	303.2	270.6	261.2	207.6	241.1	214.0
6	387.0	333.0	355.1	311.7	287.2	263.2	240.1	244.6	218.0	230.0
7	350.0	371.0	325.1	291.0	280.0	251.1	297.6	225.6	227.0	209.0
8	380.0	342.0	310.4	292.1	274.6	311.7	267.6	224.0	215.8	210.0
9	356.0	313.0	310.7	293.3	312.0	277.9	248.0	231.0	220.3	191.8
10	325.0	305.0	292.7	318.0	267.0	278.0	253.1	217.0	190.0	182.0
11	306.0	284.0	293.7	276.0	261.0	247.1	212.0	189.0	181.0	179.0
12	270.0	299.0	271.0	240.0	227.0	203.0	192.0	170.0	179.0	155.0
Special education	15.0	2.0	-	-	-	4.0	23.0	265.0	191.0	145.0
Y-Home	17.0	3.0	11.0	9.0	7.0	6.0	3.0	11.0	11.0	10.0
Home School	15.2	12.1	8.2	12.7	4.8	5.6	4.0	1.6	0.2	1.2
At Risk Consortium	27.0	12.0	19.0	25.0	14.0	26.0	-	-	-	-
Alternative School	12.0	12.0	17.0	17.0	17.0	15.0	-	-	-	-
Certified Enrollment	4,613.2	4,386.1	4,192.1	3,984.7	3,810.6	3,657.7	3,369.8	3,195.6	3,062.5	2,897.0

Note: Historical enrollment data is not available in every year in the same format.

In 1997-98, required reporting rule changes specified a majority of special education population be included in grade level counts.

Source: Certified Enrollment

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SCHEDULE OF INSURANCE COVERAGE
June 30, 2004

Company	Type of Policy	Period	
		From	To
Employers Mutual Companies	Business Protection - property coverage	7/1/2003	6/30/2004
Employers Mutual Companies	Inland Marine Policy - Scheduled Equipment	7/1/2003	6/30/2004
Employers Mutual Companies	Business Protection - General Comprehensive Liability	7/1/2003	6/30/2004
Employers Mutual Companies	Business Protection - Automobile	7/1/2003	6/30/2004
Employers Mutual Companies	Business Protection- Crime Coverage	7/1/2003	6/30/2004
Employers Mutual Companies	Workers' Compensation	7/1/2003	6/30/2004
Employers Mutual Companies	Umbrella Liability	7/1/2003	6/30/2004
Employers Mutual Companies	Linebacker Policy - Errors and Omission Coverage	7/1/2003	6/30/2004
Employers Mutual Companies	Pollution Liability	7/1/2003	6/30/2004
Employers Mutual Companies	Excess Liability	7/1/2003	6/30/2004

Liability Limits	Annual Premium
Building and property replacement; blanket boiler and vessels - business interruption and extra expense	\$ 56,675
Builders Risk for Construction of Summit Middle School	17,200
General aggregate - \$2,000,000; personal advertising limit - \$1,000,000; products/completed operations - \$2,000,000 aggregate; fire damage - \$100,000; any one occurrence limit \$1,000,000; medical expense - \$5,000	17,997
\$1,000,000 liability insurance/\$5,000 auto medical per person; \$1,000,000 uninsured motorist; \$1,000,000 underinsured motorist	27,443
Employee Theft per employee \$1,000,000; forgery or alterations \$10,000; Computer Fraud \$50,000; Funds Transfer fraud \$50,000	1,279
\$500,000 employer's liability/workers' compensation	236,079
\$10,000,000 Umbrella	28,059
\$1,000,000 Linebacker	4,221
\$500,000 each incident, \$1,000,000 aggregate	1,125
DIC \$10,000,000 limit	4,363
Total Premium	<u>\$ 394,441</u>